COMMITTEE ON HOUSING

ROBERT C. WHITE, JR., CHAIR
COUNCIL OF THE DISTRICT OF COLUMBIA

MEMORANDUM

TO: Nyasha Smith, Secretary to the Council
FROM: Councilmember Robert C. White, Jr., Chair, Committee on Housing
DATE: July 26th, 2023
RE: Record of Hearing on B25-0049 and B25-0227

Attached is the record for the public hearing that the Committee on Housing held on June 29th, 2023, on B25-0049 the "Local Rent Supplement Program Eligibility Amendment Act of 2023", and B25-0227, the "Rent Stabilization Protection Amendment Act of 2023". Attached are copies of the notice, witness list, and all written testimony received.

ATTACHMENTS

1. Notice of Public Hearing
2. Witness list
3. Written testimony

ATTACHMENT 1

COUNCIL OF THE DISTRICT OF COLUMBIA
COMMITTEE ON HOUSING
ROBERT C. WHITE, JR., CHAIR

NOTICE OF PUBLIC HEARING

on

B25-0049, the "Local Rent Supplement Program Eligibility Amendment Act of 2023"

and

B25-0227 "Rent Stabilization Protection Amendment Act of 2023"

Thursday, June 29th, 2023
10:00 AM

Live via:
Zoom Video Conference
Broadcast on DC Council Channel 13
Streamed live at www.dccouncil.gov, www.entertainment.dc.gov, and https://www.youtube.com/channel/UCPJZbHhKFbnyGeQclJxQkog/live

---

On Thursday, June 22nd, 2023, at 10:00 AM, Councilmember Robert C. White Jr., Chair of the Committee on Housing, will hold a public hearing on B25-0049, the "Local Rent Supplement Program Eligibility Amendment Act of 2023" and B25-0227, the "Rent Stabilization Protection Amendment Act of 2023". The public hearing will take place via the Zoom web conferencing platform at 10:00 AM. Members of the public will be able to view the public hearing at www.dccouncil.gov, www.entertainment.dc.gov, and at https://www.youtube.com/channel/UCPJZbHhKFbnyGeQclJxQk0g/live.

The stated purpose of B25-0049, the "Local Rent Supplement Program Eligibility Amendment Act of 2023" is to allow applicants for local rent supplement vouchers to self-certify eligibility factors; and to prohibit the Housing Authority from inquiring into an applicant's immigration status or prior criminal arrests, convictions, or pending criminal matters.

The stated purpose of B25-0227, the "Rent Stabilization Protection Amendment Act of 2023" is to require that the District of Columbia Housing Authority comply with rent stabilization laws when calculating the amount of rent paid by a tenant-based housing voucher.

The Committee invites the public to testify remotely or to submit written testimony. Anyone wishing to testify must sign up at must sign up at bit.ly/coh_signup or by phone at (202) 727-8270, and provide their name, phone number or e-mail, organizational affiliation, title (if any), and personal pronouns by **the close of business on Tuesday, June 27th, 2023**. Witnesses are encouraged, but not required, to submit their testimony in writing electronically in advance to

housing@dccouncil.gov. Witnesses will participate remotely via Zoom. The Committee will follow-up with witnesses with additional instructions on how to provide testimony in advance of the proceeding.

All public witnesses will be allowed a maximum of four minutes to testify, while Advisory Neighborhood Commissioners will be permitted five minutes to testify. At the discretion of the Chair, the length of time provided for oral testimony may be reduced.

Witnesses who anticipate needing language interpretation, or require sign language interpretation, are requested to inform the Committee of the need as soon as possible but no later than five (5) business days before the proceeding. We will make every effort to fulfill timely requests, however requests received in less than five (5) business days may not be fulfilled and alternatives may be offered.

The Committee also encourages the public to submit written testimony to be included for the public record. Copies of written testimony should be submitted by e-mail to housing@dccouncil.gov. **The record for this public hearing will close at the close of business on Thursday, July 13th, 2023.**

ATTACHMENT 2

COMMITTEE ON HOUSING

ROBERT C. WHITE, JR., CHAIR
COUNCIL OF THE DISTRICT OF COLUMBIA

Public Hearing

on

B25-0049, the "Local Rent Supplement Program Eligibility Amendment Act of 2023"

and

B25-0229, the "Rent Stabilization Protection Amendment Act of 2023"

Thursday, June 29th, 2023
10:00 AM

I. Call to Order

II. Opening Remarks

III. Witness Testimony

A. Public Witnesses

1. Cynthia Davis, Executive Director, *DC Family Child Care Association*
2. Rachelle Ellison, Senior Mentor Advisor/ Lead of Rhonda Whitaker Streets to Life DC, *People for Fairness Coalition*
3. Victoria Gray, Public Witness
4. Robert Warren, Director, *People for Fairness Coalition*
5. Nikila Smith, Co Director, *People for Fairness Coalition*
6. Martin Mellett, Vice President of External Affairs, *Jubilee Housing*
7. Craig London, Board Member, *DC Housing Provider's Association (DCHPA)*

8. Lee Simon, *S2 Development*
9. Brandaun Dean, Principal, *Campaign X Policy*
10. Dean Hunter, CEO, *Small Multifamily & Rental Owners Association*
11. Felipe Ernst, Manager, *Ernst Equities*
12. Dr. Shenetta Malkia-Sapp, CEO, *The PMs of the City LLC*
13. Judy Estey, Executive Director, *The Platform of Hope*
14. Lenin Gonzalez Fuentes, Public Witness
15. Philip Simon, Member, *S2 Development*
16. Eleni Christidis, Supervising Attorney, *Legal Aid DC*
17. Andy Wassenich, Assistant Director of Outreach, *Miriam's Kitchen*
18. Gregory White, Public Witness
19. Ali Semir, *James River Housing Partners*
20. Walda Yon, Chief of Housing Programs, *Latino Economic Development Center*
21. Donnie Shaw, Public Witness
22. Taelor Salmon, Owner, *TJS Holdings*
23. Carren Kaston, *Wardman Hotel Strategy Team*
24. Russ Brown, Chairman, *DC Housing Providers Association*
25. Amine Hammedi, Public Witness
26. Colin Thomas, Public Witness
27. Allen Tingen, Public Witness
28. Patrick Merkle, Public Witness
29. Alyssa Luberto, Public Witness
30. Katalin Peter, Vice President of Government Affairs, *AOBA*

31. Michael Campbell, *DC for Democracy*

32. Frank Nicol, Managing Member, *Paramount Management*

33. David Marlin, Trustee, *Committee of 100 on the Federal City*

34. Robert Harvey, Advocate, *Rebuilding the Community, PPA, Fair Budget*

35. Stefan Rosu, Public Witness

36. Armande Gil, Public Witness

37. Robert Leardo, Co-Chair, *TENAC*

38. Matthew Stollenmaier, Public Witness

39. Janice Ferebee, President, *The Cambridge Tenants' Association, Inc.*

40. Jannah Mujaahid, Public Witness

41. Charisse Lue, Attorney, *Washington Legal Clinic for the Homeless*

42. Jean Poitevien, Chairman of the Regulatory Affairs Subcommittee, *DC Association of Realtors*

43. Leigh Higgins, Senior Attorney, *D.C. Tenants' Rights Center*

44. Renee Bowser, Ward 4 Committeewoman, *DC Democratic State Committee*

45. Tom Gregory, *TENAC & 4000 Mass Ave Tenants Association Board*

46. Brit Ruffin, Director of Policy and Advocacy, *Washington Legal Clinic for the Homeless*

47. Kathy Gibbons, Public Witness

48. David Cercone, Public Witness

49. Cesar Bolanos, Public Witness

50. Amber Evans, Public Witness

51. Barry Madani, CEO, *Solid Properties*

52. Roger Williams, *DMV Tenants Union / Tivoli Gardens Tenants Associatoin*

53. Angela Termot, Public Witness

B. Advisory Neighborhood Commissioners

54. Trupti Patel, ANC2A03

55. Jeffrey Rueckgauer, ANC 2B02

56. Peter Gosselin, ANC 3G06

C. Government Witness

57. Hammere Gebreyes, Interim Senior Vice President, Housing Choice Voucher Program, *District of Columbia Housing Authority*

IV. Adjournment

ATTACHMENT 3

Good morning, Chairperson White and members of the committee,

My name is Nikila Smith, I am the co-lead of the Rhonda Whitaker Streets to life DC Women's Initiative and a community organizer at People for Fairness Coalition

I want to throw the towel in sometimes, this a different fight, I stepped in, I was tired of doing wrong in the eyes of others, I'm here today to tell everyone that's listening.

Don't get tired, I know some days it seems no one sees the good you do in your job. You have a life with a family; there are things going on that must be unseen listening to person after person. I know you're getting tired so please don't get tired.

I understand you can't be in two places at once. That's why you need help from the public, just don't let our words run on deaf ears. I for one am struggling to stay in this race because I'm getting tired of life knocking me out. Should I bob and weave or stick and move when I hear you speak? I listen to learn so when i speak i want your attention don't get tired of me.

I'm knew and thirsty for knowledge the stories and poetry I use all the experience you need that's as close to my shoes you will get unless your destined to wear them. and if that happens don't give up, I'm warning you will get tired lean on your higher power now not later when you feel lonely don't get tired it's like giving up.

Thank You for This Opportunity to Testify

Nikila Smith

TESTIMONY OF MARTIN MELLETT
VICE PRESIDENT – EXTERNAL AFFAIRS
JUBILEE HOUSING
BEFORE
COMMITTEE ON HOUSING
For
LOCAL RENT SUPPLEMENT PROGRAM ELIGIBILITY AMENDMENT ACT OF 2023
B25-0049
JUNE 29 2023

Good morning, Chairperson White and members of the Committee. My name is Martin Mellett and I am the Vice President for External Affairs for Jubilee Housing. I am here to testify in support of the Local Rent Supplement Program Eligibility Amendment Act of 2023. In FY 2022, the Council unanimously approved identical language in emergency/temporary legislation to amend eligibility requirements for the Local Rent Supplement Program. The Council unanimously extended the same legislation last week as emergency/temporary to ensure that no gap will exist with this legislation while the permanent legislation is being reviewed. We are hopeful this council will approve the eligibility amendments permanently.

For over 46 years, Jubilee Housing has developed and managed affordable apartment communities in the Adams Morgan, Columbia Heights, and Mount Pleasant neighborhoods of the city while also providing supportive services to our residents. We have completed the development of 300 units of deeply affordable housing with services at a combined investment of over $100M. In an effort to expand our portfolio of deeply affordable housing, Jubilee Housing has acquired 6 buildings and a parcel of 5 lots over the past 4 years designed to add 285 units of housing and services for both returning citizens and residents in need of deeply affordable housing.

An essential tool in creating deeply affordable rental housing opportunities in the thriving neighborhoods of Adams Morgan and Columbia Heights where Jubilee Housing operates is the Local Rent Supplement Program (LRSP). Currently, Jubilee Housing utilizes approximately 145 LRSP subsidies in our housing portfolio – representing about 52% of our portfolio. The vast majority of LRSP utilized by Jubilee Housing are project-based subsidies although we also have some tenant based PSH subsidies. Without these critical rental subsidies, we would not be able to offer this high-quality housing to very low-income residents in such a healthy and thriving neighborhood. Jubilee currently has one project in construction and one expected to begin construction in the fall of 2023. These 2 projects will add 125 units of affordable housing over the

next few years with the hope that about 75 of those units will serve residents at or below 30% of the area median income utilizing LRPS subsidies. Last fall we purchased 3 additional multi-unit buildings (165 units) on 16th Street occupied primarily by a very low-income immigrant community. Those buildings will be renovated when we are awarded public financing to complete substantial renovation. We also expect to utilize project based LRSP support for many of the low-income residents who otherwise would not be able to afford LIHTC rent levels.

We urge the council to approve this legislation expanding eligibility for the Local Rent Supplement Program for 3 reasons:

1. Lowering Housing Eligibility Barriers for DC Residents Creates Opportunities for our most at risk residents. DC has been very active in establishing a city that is supportive of all of its residents – regardless of immigration status and regardless of certain criminal history. We know that access to affordable housing is one of the most important factors in supporting successful reentry for returning citizens. Over the past number of years, DC has passed legislation to include access to DC's primary care health system for all DC residents – regardless of immigration status. In addition, the city approved covid related monetary support for excluded workers – many of whom are undocumented and are not eligible for other federal cash assistance programs. Excluding DC residents from a valuable rental subsidy program due to criminal history and immigration status contradicts general city policies of inclusion.
2. Establishing Consistent Eligibility Standards for Similar Benefits Reduces Confusion for Residents, Property Owners, and Developers: Prior to enactment of the Emergency/Temporary legislation last year, criminal background and immigration status eligibility was applied differently for tenant based, sponsor based, and project based LRSP. This legislation will expand existing tenant and sponsor-based eligibility requirements to project based LRSP – thereby establishing one standard for all types of LRSP. Without one eligibility standard, confusion can arise if some residents have been awarded tenant based LRSP while other similarly situated residents are excluded from the rental subsidy program. For example, an owner may be managing a building that is utilizing either project based, tenant based, or sponsor based LRSP and would need to treat similarly situated residents differently based on immigration status or criminal background.

3. Expanding Eligibility for Project Based LRSP Strengthens TOPA Opportunities: In a number of buildings where DC residents are exercising their TOPA rights, the unavailability of project based LRSP for income eligible DC residents who either do not have legal immigration status or have some criminal history can divide residents. It can also limit the

ability of the tenant association to move forward with a purchase or an assignment due to lack of sufficient rental subsidy for its lowest income residents. These eligibility limitations for project based LRSP can also deter a non-profit developer from partnering with a tenant association to preserve the affordability of the project

We would like to extend our gratitude to this committee for their continued support and partnership. Our successes in providing quality housing in a resource rich neighborhood to very low-income residents would simply not occur without LRSP subsidies.

Thank you for the opportunity to testify and I welcome any questions from members of the Committee.

BILL: 25-227 - "Rent Stabilization Protection Amendment Act of 2023"

TESTIMONY OF: Craig London, Board Member - DC Housing Providers Association (DCHPA)

1) What are the goals of this bill?
    a. To stop voucher tenants from taking away units from non-voucher rent control tenants
    b. Improve the quality of life in buildings that have recently moved in voucher tenants – reduce crime and property damage by reducing the number of voucher tenants
    c. All of the above
    d. None of the above

2) What are the unintended consequences of this bill as written?
    a. Unintentionally redline voucher tenants out of NW and back into SE
    b. Voucher rents revert to the "snap back" rent for thousands of buildings that have been voucher only for decades with no rent control filings at DHCD since the 1980's and 1990's
    c. Create zombie buildings where the "snap-back" rent control rent from decades ago is so low that there is no economically viable rental future as current voucher tenants move out
    d. Reduce the rental inventory when the "snap back" rent is too low and rental buildings are converted to condo
    e. All of the above
    f. None of the above

3) Does this bill use a sledgehammer or a scalpel to achieve the goals from #1 above? Can the problems be solved without creating new problems?

4) Has there been data compiled to quantify how many rent control units are temporarily being rented to voucher tenants rather than rent control tenants? How often was the previous tenant another voucher holder vs. a rent-control tenant? (The voucher exemption, unlike a condo conversion, is temporary only for the rental term of the in-place voucher tenant.) Can we quantify the actual displacement of rent-control tenants rather than just a replacement of a voucher tenant?

5) Are the problems that need to be solved widespread geographically or are they exclusive to high rent areas such as Wards 1 and 3? Do these same problems exist in Wards 7 and 8 where roughly 9,000 families with vouchers reside? What will be the impact to these 9,000 low-income families if the "snap back" voucher rents are 20% - 40% lower than the current voucher rents? Will this cause a reduction in voucher units available?

6) What will happen to the large families (4BR, 5BR, 6BR+) that are living in units that were created by the merger of two 1BR units many years ago? If the rents "snap back" to the old 1BR rent control rent from the 1990s before the building was rebuilt and renovated, will this impact the supply of large rental units?

7) What can we learn from our actual experience?
    a. Why is it that most landlords don't rent to voucher tenants?

b. When the voucher rents in NW were much lower pre-2016, why were there so few voucher tenants living in NW? During this pre-2016 period when the voucher rents were slightly higher than the rent control rents, why did so many families have problems finding places that accepted vouchers in NW? Will lowering the voucher rents even lower to match rent-control rents hurt voucher families?

8) What are the benefits for children growing up in higher income low crime areas vs. low-income high crime areas? How do we get the proper balance between helping voucher families move to high opportunity areas while continuing to support rent control?

9) What steps can be taken to improve the behavior of voucher tenants living in the same buildings as rent control tenants? Can these improvements be implemented via oversight rather than legislation?
    a. Do we need better inspections of voucher units?
    b. Can inspections be deemed a "tenant failure" rather than a "landlord failure" to provide recourse when a tenant is not caring for the unit and/or being a destabilizing neighbor?
    c. Vouchers are valued at over $540K. How often does DCHA revoke vouchers for tenants that are destabilizing their buildings? A focus on DCHA's ability to regulate tenant behavior could yield results.
    d. Is there a simple way for a Housing Provider to request an inspection of a tenant's unit to determine if a troubled tenant is incapable of living in a multifamily environment?

10) Are we handling previously homeless tenants with drug and/or mental health problems properly?
    a. Will it cost a housing provider the same amount of money in operating expenses for a tenant with mental health and/or drug problems as a stable tenant with a steady job?
    b. Should the max rent for these two different types of tenants be the same?
    c. Are we best providing adequate social services to voucher tenants? Are there limits to the Housing First model?
    d. Have any steps been taken to start a pilot program to co-locate PSH caseworkers and other social workers in vouchers building at no charge to the city?

These are complex issues. The key is to solve problems without creating new problems. The legislation in its current form has been helpful to start a dialog and to allow all of these issues to be addressed holistically. Let's work together to create the best combination of legislation and oversight so that tenants in all wards are given the best chance at securing good housing.

July 13, 2023

Council of the District of Columbia
Committee on Housing
1350 Pennsylvania Avenue NW
Washington, DC 20004

Written testimony – 6/29/23 hearing – B25-0227 – "Rent Stabilization Protection Amendment Act of 2023"

Chairperson White, members and staff of the Committee on Housing and members of the community. I submit this written testimony in opposition to B25-0227. This bill if approved as written will inevitably lead to the exclusion of voucher recipients in rent controlled building's, the concentration of poverty in low opportunity neighborhoods, rent controlled apartment buildings being turned into condos and removed entirely from the rental housing pool, vacant rundown buildings in low opportunity neighborhoods, and loss of residential property tax revenue to the city.

"Fairness" and "Incentive"

There was a lot of talk from Councilmember Frumin about "fairness" and "incentive". The core of the argument being that in market rate buildings voucher tenants are competing "fairly", but in rent controlled buildings voucher tenants are receiving a financial "incentive" which is unfair.

The core fallacy in this argument is "fair" and "incentive". The Housing Choice Voucher Program strives to allow low-income tenants to compete for market rate housing. DCHA's new rent reasonableness tool just rolled out on 7/1/23 should further facilitate this goal. Voucher tenants competing at market rate is "fair". Markets inherently find the right price where supply and demand meet and deliver a "fair" price.

Rent control is not "fair". It is not determined by supply and demand, or the highest and best use of resources. Rent control is determined by government price fixing. Allowing voucher tenants to compete for rent control units at market rate is "fair". If that exemption is removed voucher recipients will simply lose access to rent controlled apartments. The mechanism for this is simple. Market rate forces are naturally self-selecting. The best units in the best neighborhoods go to the mostly highly qualified tenants. The next best units go to the next best qualified…and so on. If the market rate for a 2 bedroom apartment is $2,000, and the market has 100 available units and 100 tenants looking for units you have a natural balance. If a 2-bedroom rent controlled unit enters the market at a government price fixed rate of $800 it disrupts the market. Now there is 1 $800 unit getting 100 applications, and 100 $2,000 units getting 0 applications. So the $800 rent controlled unit will naturally go to the absolutely most qualified tenant, with the best credit score, highest income, perfect background check, etc. The voucher exemption that this bill will remove, was the only opportunity the city offered to allow low-income families to compete for these units. Without it they simply will not be able to

compete. There will be worse units in worse neighborhoods they will be able to compete for, but no longer these. And there are over 90,000 of them!

REDLINING:

This bill is being pushed by ward 3 activists who live in rent controlled buildings. These activists, who are already paying below market rents, do not want voucher recipients as neighbors. So they have put forth legislation that will de facto remove all voucher recipients from rent controlled buildings in high opportunity neighborhoods. As Councilmember Frumin put it, this bill will raise the drawbridge, concentrating all voucher recipients in wards 7 and 8, while ward 3 becomes even wealthier and less diverse than it already is.

CONDO CONVERSION:

Housing providers cannot operate buildings at a loss. If there is not enough rental income maintenance and capital improvements get deferred. If there is even less rental income the property will go into foreclosure. The bank will take it back and sell it at a loss to a developer. The developer is not going to keep the building under rent control and continue to lose money. They will remove it from rent control the only way they can, by converting it to condos, or converting it to short term rentals.

SNAP BACK TO DECADES OLD RENTS:

There are thousands of units in the city that have been operating under the rent control exemption for decades. This bill would snap back the rents in those buildings to what they were 20, 30, and 40 years ago. These buildings will stop being financially viable. And much like the city's current office vacancy crises, there will soon be a vacant and blighted residential crises. These vacant buildings trapped with rents from the 80's and 90's in neighborhoods where condo conversion isn't possible will slowly fall apart. They will be permanently removed from the housing pool and provide no property tax income to the city.

In conclusion this bill should not be voted out of committee. However, if the committee does unfortunately chose to move it forwarded it must at minimum be amended as to not irreparably harm tenants, housing providers, and banks, who relied on this decades old exemption when they chose where to live, purchase property, and lend money. At the very minimum this bill needs to be amended to make it clear it only affects new tenants moving forward. And that current voucher tenants that relied on the current rules and are thriving where they live, love their neighborhoods and their children's schools are not displaced. The bill must be amended so that the legal rent control rent is brought up to the current voucher rent in units that are currently exempt and all changes only go into affect moving forward.

Sincerely

Lee Simon
Principal – S2 Development

The District of Columbia is taking steps to enhance fairness in the rental market with the implementation of a Rent Reasonableness Tool on July 1. This tool aims to strike a balance between ensuring landlords are appropriately compensated and preventing overpayment by the city. The move is part of DCHA Director Brenda Donald's commitment to delivering on her promise to provide a robust mechanism for assessing rent reasonableness and protecting the city from potential exploitation.

Under the new system, rent reasonableness will be determined based on market factors rather than simply adhering to the maximum allowable standard by assessment neighborhood. This approach acknowledges that each housing unit is unique, with varying characteristics and features such as location, amenities, vintage, and size. The Rent Reasonableness Tool will leverage industry-leading platforms, like affordablehousing.com, to compile data on market rents for each neighborhood and property, providing reliable information to support fair rental amounts.

This tool is a significant step forward for both housing providers and tenants, as it removes uncertainty surrounding the future of the Housing Choice Voucher Program (HCVP). If implemented responsibly and with transparency the Rent Reasonableness Tool has the potential to promote a balanced housing market in the District of Columbia.

The District of Columbia takes pride in its commitment to offering opportunities for individuals of all income levels to live in all eight wards. This diversity is what makes the city great, as it fosters inclusivity and breaks the cycle of poverty. It is crucial to continue providing marginalized residents with the chance to access affordable housing throughout the city.

On a separate note, there has been discussion surrounding Councilmember Frumin’s (Ward 3) bill “Rent Stabilization Protection Amendment Act of 2023”, which some believe caves to the demand’s of NIMBYs in Ward 3 and aims to concentrate the city's poorest residents into Wards 7 and 8. It is essential to examine the facts. Out of the tens of thousands of HCVP recipients in the District, only 73 currently reside in Ward 3. While this number may seem surprising, it is crucial to avoid making policy decisions based solely on a handful of cases.

It is important to emphasize that the claim of DC overpaying landlords is false. HUD allows for rents of up to 187% of the Fair Market Rent (FMR). However, when analyzing the data, it becomes evident that no ward in the District even comes close to this threshold. In fact, most wards fall below 100% of the HUD rent study. It is vital to base decisions on factual data rather than emotional responses or isolated examples.

We must be cautious about the potential consequences of hastily passing bills driven by political motivations, as they may negatively impact the progress made by Mayor Bowser in creating a fairer DC for all residents. We must remember that providing opportunities to marginalized individuals is the backbone of our great city and the embodiment of the American dream.

We urge councilmembers to consider the broader implications and take into account the facts surrounding the proposed legislation. Our focus should be on promoting fairness, protecting vulnerable minorities, sustaining the real estate market, and supporting job creation in all eight wards. We encourage residents to engage in the upcoming hearing on June 29 to ensure council members are well-informed about the realities on the streets of DC.

It is essential to maintain the HCVP program's exemption from rent control to allow housing providers to make necessary investments and ensure compliance with building codes. Furthermore, it is worth noting that HCVP recipients often require more intensive management, which can result in additional wear and tear on the buildings.

Let us work together to create a balanced and equitable rental market in the District of Columbia, where both housing providers and tenants can thrive. By fostering an environment of fairness, we can continue to build a stronger and more inclusive city for all residents.

THE PMs of the CITY

June 29, 2023

Council of the District of Columbia
Chair, Committee on Housing
1350 Pennsylvania Avenue NW, Suite 107
Washington, DC 20004

RE: Concerns about Bill 25-49

Dear DC City Council Members,

My name is Dr. Shenetta Malkia-Sapp, I am the CEO, principal broker and property manager for The PMs Of the City LLC & The PMs of the City Realty. We manage properties for small and individual landlords in The District of Columbia, Maryland. and Virginia. I represent real estate professionals, property managers, and tenants. Our clients own, manger or live in communities with 1 to 20 units in different wards throughout the district and add to your affordable housing stock. We are also active and engaged members of GCAAR, NARPM, SMOA and CNHED.

I am writing to express my concern about the proposed Bill 25-49. As a concerned citizen, I am worried about the impact that this bill could have on the communities, landlords, and citizens of DC. In my professional opinion, the idea of self-certifying eligibility factors could cause major problems for the housing industry and ultimately, the people it serves including the increased risk DCHA, landlords and community citizens.

Firstly, let's talk about how self-certifying eligibility factors could increase the risks of violence and drugs in the community. If DCHA is forced to accept self-certified information from participants, they may not have the receive accurate information regarding a tenant's housing and or criminal background. This could lead to tenants with criminal records or a history of drug abuse being able to easily obtain housing in neighborhoods adding to the already infested communities. As a result, this could make the community more unsafe and put families, landlords and those serving them in danger.

Secondly, lack of enforcement by housing parties as it is today is already another major concern. There will be no incentive for DCHA or landlords to actually enforce rules if they know that the consequences are non-existent. Self-certification only encourages more irresponsible behavior and could have catastrophic consequences for the housing industry.

To add to the above arguments, in my opinion, self-certifying is also unethical and can lead to cases of housing fraud. Tenants who are ineligible may simply falsify their eligibility forms, while landlords may have difficulty verifying whether tenants meet certain eligibility criteria, such as the criteria for affordable housing. Ultimately, this is not fair to tenants or landlords.

EQUAL HOUSING OPPORTUNITY

137 National Plaza Drive Suite 300
National Harbor MD 20745
Cell 202.991.9833 | Direct 301.213.3546
info@ThePMsOfTheCity.com|
www.ThePMsOfTheCity.com

NARPM®

In summary, I strongly oppose Bill 25-49. Instead, I suggest the housing parties are empowered to enforce current eligibility requirements by working together and increasing collaboration with one another. I implore you to consider the impact that this bill could have on the communities and families of DC.

Thank you for taking the time to read my letter and considering my views.

Respectfully,

Dr. Shenetta Malkia-Sapp h.c. AHWD, MRP, HOC, CIPS
REALTOR® & REALTIST– MD, DC, VA, GA
CEO | Broker
The PMs Of the City LLC & The PMs Of the City Realty
GCAAR| NARPM | SMOA | CNHED

Testimony Given at Hearing Frumin Bill 25-227

My name is Phil Simon. I am a housing provider in DC. Thank you for the opportunity to testify today.

The reasoning for this bill is very simple. It is being put forth by a vocal minority of your constituents who do not want voucher tenants in their buildings, neighborhoods, playgrounds, and schools. People for this bill and people against this bill are saying the same thing. This bill will remove voucher tenants from Northwest DC. To substantiate this, listen to the following quotes from testimony provided by people for and against this bill who are saying the same thing. This bill if enacted will remove voucher tenants from there neighborhoods.

Carol Earnest president of a tenant's association for a property in mount pleasant

"These buildings are no longer desirable"

"I support grouping voucher tenants together where they can interact with each other"

"we're now faced with finding affordable housing in a decent building that affords peace, safely and rules upheld"

Janice Ferebee President of the Cambridge tenants association former Ward 2 ANC member

"Tenants having these special needs have been disrupting and destroying once serene renal communities"

"This well-documented, justified distress is not a nimby response"

"They don't have the right to live in that community"

Colleen Grand and Lauren Pair department of housing and community development

"DCHD perceives that an unintended consequence of this bill may be that it will restrict or limit the ability of voucher holders to live in certain areas of the district"

District of Columbia housing authority interim SVP Hammere Gegreyes

"DCHA is concerned that this change will have implications for landlords and their willingness to rent to voucher participants; thus, potentially once again constricting access to housing for our participants."

The rent control statute provided for a carve out for subsidized tenants for one reason. That reason is to break the cycle of poverty and segregation. DC has a bifurcated housing market.

One with good housing in good neighborhoods and one with sub-par housing in low opportunity neighborhoods. The statute was written to provide voucher tenants access to buildings, neighborhoods, playgrounds, and schools that provide opportunity.

Mr. Frumin. This is your bill. It is contradictory to what you ran on, are running on and your background. After reading the written testimony and hearing the verbal testimony it is clear that this bill will lead to red lining. I ask you a basic question. Given the testimony are you still for this bill that is akin to redlining and segregation or have you changed your mind?

ZOMBIE RESIDENTIAL – ZOMBIE COMMERCIAL – ZOMBIE TAX REVENUE
The Consequences of the Frumin Bill 25-227

- If this Bill moves forward the rent control apartment market will mirror the commercial office market. Market rents in the office market are leading to buildings becoming valueless and leading to decreased tax revenue.

- Rent control rents not keeping up with increased expenses are leading to residential rent-controlled properties becoming valueless and leading to decreased tax revenue.

- Housing first does not come with proper wrap around services. DCHA acknowledged this at the hearing. Housing first without wrap around services is leading to chaos. Chaos leads to increased expenses.

- The voucher exemption is creating affordable units where no housing would exist at all. Without this exemption these properties are not viable as rental apartments and are only viable as condominium's

- If DCHA will not pay market rate, housing providers will not take voucher tenants. This bill which removes the exemption will lead to redlining. Voucher tenants will not have access to high opportunity neighborhoods. Poverty will be reconcentrated in ward 7&8.

- This bill disproportionally affects regional banks and small local providers. The small local providers do not have offsetting income to operate buildings that have negative cash flow. The regional banks who rely on the rents previously guaranteed by DCHA lend to the small local providers. Small local providers will lose their properties and regional banks will have to foreclose and sell them for pennies on the dollar. Large intuitional developers will turn them into condos. Local operators will go bankrupt.

- This bill should not be voted out of committee. If it is, at a minimum, tenants, housing providers, and lenders that relied on the current rules should not be punished.

Thank you for taking the time to read this testimony. I have also provided a copy of the testimony I gave at the hearing.

Philip Simon
S2 Development LLC
Local housing provider
Resident of the District of Columbia

www.legalaiddc.org
1331 H Street, NW
Suite 350
Washington, DC 20005
(202) 628-1161

Testimony of Ashlei Schulz
Senior Staff Attorney, Housing Law Unit
and
Eleni P. Christidis
Supervising Attorney, Housing Law Unit
Legal Aid of the District of Columbia

Before the Committee on Housing
Council of the District of Columbia

"Public Hearing on Bill 25-0049, the Local Rent Supplement Program Eligibility Amendment Act of 2023"

June 29, 2023

Legal Aid of the District of Columbia[1] submits the following testimony regarding Bill 25-0049, the Local Rent Supplement Program Eligibility Amendment Act of 2023. Legal Aid strongly supports this bill, which would permanently enact emergency and temporary legislation that has facilitated the provision of housing to families excluded from federally funded housing programs.

[1] Legal Aid of the District of Columbia was formed in 1932 to "provide legal aid and counsel to indigent persons in civil law matters and to encourage measures by which the law may better protect and serve their needs." Legal Aid is the oldest and largest general civil legal services program in the District of Columbia. Over the last 91 years, Legal Aid staff and volunteers have been making justice real – in individual and systemic ways – for tens of thousands of persons living in poverty in the District. The largest part of our work is comprised of individual representation in housing, domestic violence/family, public benefits, and consumer law. We also work on immigration law matters and help individuals with the collateral consequences of their involvement with the criminal legal system. From the experience of our clients, we identify opportunities for court and law reform, public policy advocacy, and systemic litigation. More information about Legal Aid can be obtained from our website, www.LegalAidDC.org, and our blog, www.MakingJusticeReal.org.

Legal Aid recommends one revision to the Bill as currently drafted. The current phrasing around self-certification could be interpreted or implemented to require an applicant or participant to *first* make substantial efforts to obtain verification documentation before being permitted to self-certify their eligibility. To avoid this potentially significant pitfall, Legal Aid recommends either striking the phrase "when an applicant cannot easily obtain verification" or re-wording the language to say, "when an applicant self-certifies that they cannot easily obtain verification documentation."

Inquiries into Citizenship, Immigration Status, Prior Criminal Arrests, Convictions or Pending Criminal Matters.

Legal Aid supports the Bill's prohibition on inquiries into citizenship, immigration status, and prior criminal arrests, convictions or pending criminal matters as part of Local Rent Supplement Program (LRSP) eligibility and continued participation determinations.

The LRSP initial and continued eligibility determination process is administered by the D.C. Housing Authority (DCHA), which also manages a greater number of federally funded housing subsidies. These federally funded subsidies impose restrictions on eligibility that the LRSP simply does not. This Bill will ensure that DCHA administers the LRSP according to LRSP rules by prohibiting inquiries into eligibility criteria that are not applicable to LRSP and whose consideration would only serve to improperly exclude or discourage eligible applicants for local rent subsidies.

Our client community includes immigrants of all citizenship statuses and District residents who have had interactions with the criminal legal system. Our experience confirms that these groups will benefit from any reduction in barriers to affordable housing.

Immigrants are more likely than Americans born in-country to have problems accessing affordable housing.[2] These households spend a disproportionately high percentage of their income on rent, so it follows that rental subsidies would be incredibly helpful in improving their quality of life. [3]Inquiries into citizenship and immigration status can have a chilling effect on applicants, sending the message that they are not welcome to apply for housing subsidies. Moreover, most of the immigrants in the District are from Latin America and the Caribbean, and are members of racial and ethnic groups that have

[2] Lipman B. *New Century Housing.* Washington DC: Center for Housing Policy; 2003. America's newest working families: Cost, crowding, and conditions for immigrants; pp. 1–44. [Google Scholar]

[3] Id.

historically experienced discrimination. Eliminating these inquiries is an equitable solution in housing subsidy eligibility determinations.

As to criminal history, Legal Aid's experience with our client community is consistent with the findings of housing studies, relied on by HUD: there is no causality between criminal history and housing success.[4] Inquiries into criminal background do more harm than good. They simply do not aid or inform the determination process but enforce the biased belief that there are people deserving and undeserving of housing. Furthermore, criminal histories are as diverse as each individual applicant. They can contain inaccuracies, irrelevant information, and a lack of context.[5] Criminal background checks in housing eligibility disproportionately affect applicants from low income communities and communities of color – just as the criminal legal system disproportionately affects these communities. Disallowing inquiries into the criminal background of applicants and participants removes an unnecessary barrier to acutely needed affordable housing.

Self-Certification

Legal Aid generally supports the provision of the Bill that allows applicants and participants to self-certify any required eligibility, admission, or continued occupancy factors when an applicant cannot easily obtain verification. As just one example, many of Legal Aid's clients change jobs frequently, have seasonal or sporadic employment, or work in the gig economy where there is no clear employer point of contact. The difficulty of getting third-party verification of eligibility factors creates a barrier to accessing housing. Removal of the third-party verification requirement works towards removing that barrier. It also enforces the message that the verifications of applicants/participants of rent supplement programs can be trusted.

---

[4] "Tenant Screening With Criminal Background Checks: Predictions and Perceptions Are Not Causality", by Calvin Johnson, Deputy Assistant Secretary for the Office of Research, Evaluation and Monitoring, Housing and Urban Development. May 17, 2022. https://www.huduser.gov/portal/pdredge/pdr-edge-frm-asst-sec-051722.html. *citing* Alex Chohlas-Woods. 2018. "Understanding Risk Assessment Instruments in Criminal Justice," Brookings Institution; Julia Angwin, Jeff Larson, Surya Mattu, and Lauren Kirchner. 2016. "Machine Bias," *ProPublica*.

[5] "How Automated Background Checks Freeze out Renters" by Lauren Kirchner and Matthew Goldstein, published May 28, 2020, *The New York Times*. https://www.nytimes.com/2020/05/28/business/renters-background-checks.html

To maximize the effectiveness of this provision, Legal Aid recommends striking the phrase "when an applicant cannot easily obtain verification" or re-wording it to say, "when an applicant self-certifies that they cannot easily obtain verification documentation." As currently written, this provision could be interpreted to require an applicant/participant to first undertake significant efforts to obtain that verification and/or to prove they are unable to easily obtain verification. Failing to clarify that an applicant or participant need not undertake such extraordinary efforts, and need to make such a showing, would potentially undermine the whole purpose of this provision. For this reason, Legal Aid recommends either striking or amending the phrase in the three places it appears in the Bill.

Conclusion

Legal Aid appreciates the Council's commitment to reducing barriers to housing for Legal Aid's client community. The Local Rent Supplement Program is a lifeline to low-income families who need stable housing but who might be ineligible for federal rent subsidies due to their immigration status, history with the criminal legal system, or who encounter other obstacles to obtaining official records. Eliminating these unnecessary barriers and clarifying the scope of DCHA's inquiry will help District residents who are among the most excluded from the rental housing market and from federal housing programs to find stable housing.

Testimony before the Committee of the Whole

Delivered by Andy Wassenich, Assistant Director of Outreach at Miriam's Kitchen

June 29, 2023

Good morning, Chairperson White. My name is Andy Wassenich. I am a Ward 4 voter and the Assistant Director of Homeless Street Outreach at Miriam's Kitchen, where my team is on the front lines to end chronic homelessness. My testimony today is in support of Local Rent Supplement Program Eligibility Amendment Act of 2023.

In support of self-certification:

With the large increases to the DHS PSH program in FY22 and FY23, one of the major concerns raised initially regarding the timely implemenation of those resources was the way that obtaining birth certificates, photo IDs and other LRSP documentation is a barrier for many individuals who have been homeless. The LRSP self-certifications regulations put in place have been important in removing these barriers for many individuals.

In the workflow of getting someone unsheltered into housing, making sure an individual is 'document ready' before getting matched to a housing resource is usually the outreach provider's responsibility. (Even as the regulations have been extremely helpful, assistance with obtaining documents is still something we routinely do and will continue to do. Vital documents are still important and useful things to have if you can get them.)

In outreach our goal is to do whatever we can to shorten the time it takes to get someone into housing. But with obtaining IDs there sometimes seem to be unlimited ways things can get in the way and cause delays. Often, documents were lost, or stolen, or thrown away, or damaged, or destroyed in encampment evictions, and must be reacquired now before they can complete the LRSP application. Applications for birth certificates from other states get held up for a variety of reasons and these sometimes get lost in the mail. Appointments and transportation to the DMV can take half a day, and if a client's ID has only recently been issued, within the 180 days (about 6 months) prior to submitting with the LRSP application, it will not be accepted. And if the picture is too dark, it may not be accepted. Then there are the individuals we work with whose cases are complicated by misspellings and errors on their original birth certificate, or by sealed adoption records. There are people who don't know their Social Security Numbers, and we've even encountered people who did not know their date of birth. And, of course, there are scores of individuals who are undocumented who have been experiencing unsheltered homelessness for years and sometimes decades, with no connections to countries of origin or born in places that did not keep birth records, preventing any effort to get any sort of official documentation from any authority. These are some of the impediments we encounter in obtaining ID documents for clients. A lot of time, energy and some money are spent on obtaining documents. And it was extremely stressful for clients (and staff) to have when without these things their most urgent need could not be met.

But thanks to the Council's work in passing the self-certification regulations, these scenarios no longer delay someone's housing process or keep them from obtaining housing. Our goal on Outreach is to get folks into housing as quickly as we can in terms of what we can control. Now outreach and permanent supportive housing case managers can work to overcome the aforementioned impediments under less duress, because the length of time it takes will not prolong someone's homelessness. And it allows us more time to focus on and address other pressing needs of our clients like their physical and mental health. And, with all of the implementation frustrations encountered with the large influx of resources this and last fiscal year, it has been a blessing to not have documentation be yet another impediment to people's progress through the system.

The length of time it takes to get someone housed is already too often a matter of life and death. I think back to a time in late 2020 and early 2021, when a client of mine died before her voucher could be approved, in part, because of a hang up over her documentation. I wonder if she might still be alive if the self-certification regulations were in place then. She submitted proof of her Social Security Benefits. It was a document mailed and addressed to her from the Social Security Administration. On SSA letter head. It stated how much she received. However, it wasn't the exact document that DCHA requires, and so there was a lot of back and forth about needing to get the proper document. But it was the pandemic, and one could not just go to the Social Security Office and ask them to print out what she needed, and she likely had what was required where she received mail but had no way to get there and she was hospitalized for a good stretch of this period. Getting a human being on the phone when you called SSA was easier said than done, even if you had the time and patience to spend hours on hold. And she did not understand why what she had submitted was not acceptable and felt very strongly that she had met what was required of her. This went on for months before it was resolved. She passed away before her voucher application was approved. Her name was Loren Bradley. So it is with the hope that no one ever dies before their voucher is approved for similar reasons again that I and Miriam's Kitchen supports "Local Rent Supplement Program Eligibility Amendment Act of 2023."

And it is also why we should also keep building on the LRSP self-certification regulations to ensure they are a success now and in the future. To achieve that continued success, it will be important to ensure three things:

1. That all PSH clients and PSH providers and case managers are educated about the self-certification options and use them consistently whenever needed.
2. Make sure that PSH providers are helping clients to get the required ID documents ahead of future recertification periods when they will be necessary.
3. Make sure that DHS has a plan and budget for using their "DHS Local" funds for whatever small percentage of clients are never able to obtain their required documents – we do not want difficulty with documents to make anyone homeless again in the future. For your reference, there is currently a funding stream that does allow individuals without documentation or who are otherwise deemed ineligible for LRSPs to be housed. It can be a lengthy process on top of what is already a lengthy process, during which the individual remains unhoused. Thanks to self-certification, individuals can now be housed while that process plays out. We endorse that those funds continue to set aside.

7-13-23

WRITTEN TESTIMONY OF CARREN KASTON
FOR CM MATT FRUMIN'S BILL TO PRESERVE RENT CONTROL and IMPROVE DC'S HOUSING VOUCHER PROGRAMS
Rent Stabilization Protection Amendment Act of 2023 B25-0227
(includes new suggestions in addition to those I made at the 6-29-23 hearing)

I'm Carren Kaston, speaking for the Wardman Hotel Strategy Team. We're a grassroots organization initially focused on converting Ward 3's bankrupt Wardman Hotel to multi-income affordable housing. We have a keen interest in CM Lewis George's Green New Deal for Housing bill – a vision of affordable social housing in which those of all income levels can live together. This is a housing model that has worked well elsewhere. In fact, we still hope that with all the new development planned for Ward 3's Connecticut Avenue, a place will be found for a pilot social housing project.

In any event, with the loss of the Wardman Hotel to developer Carmel's planned 900 units of luxury rental housing, fewer than 72 of them affordable, we've turned our attention to affordable housing elsewhere in the ward and the city. My testimony comes from that perspective.

Current city policy pits affordable housing for voucher recipients against affordable housing for others – mostly those of modest and moderate income, many of them seniors, many on fixed income -- who need affordable housing but don't have subsidies. For these residents, rent-controlled or rent-stabilized housing has for decades provided the answer. But now, highly inflated city subsidies have incentivized landlords of many rent-stabilized buildings to prefer renting to voucher holders over renting to tenants without subsidies. CM Frumin's bill would rein in inflated subsidies and help advance two of Mayor Bowser's primary housing goals—reducing homelessness and promoting affordable housing—in a way that would safeguard both.

SUGGESTIONS FOR STRENGTHENING BILL B25-0227 DURING MARKUP

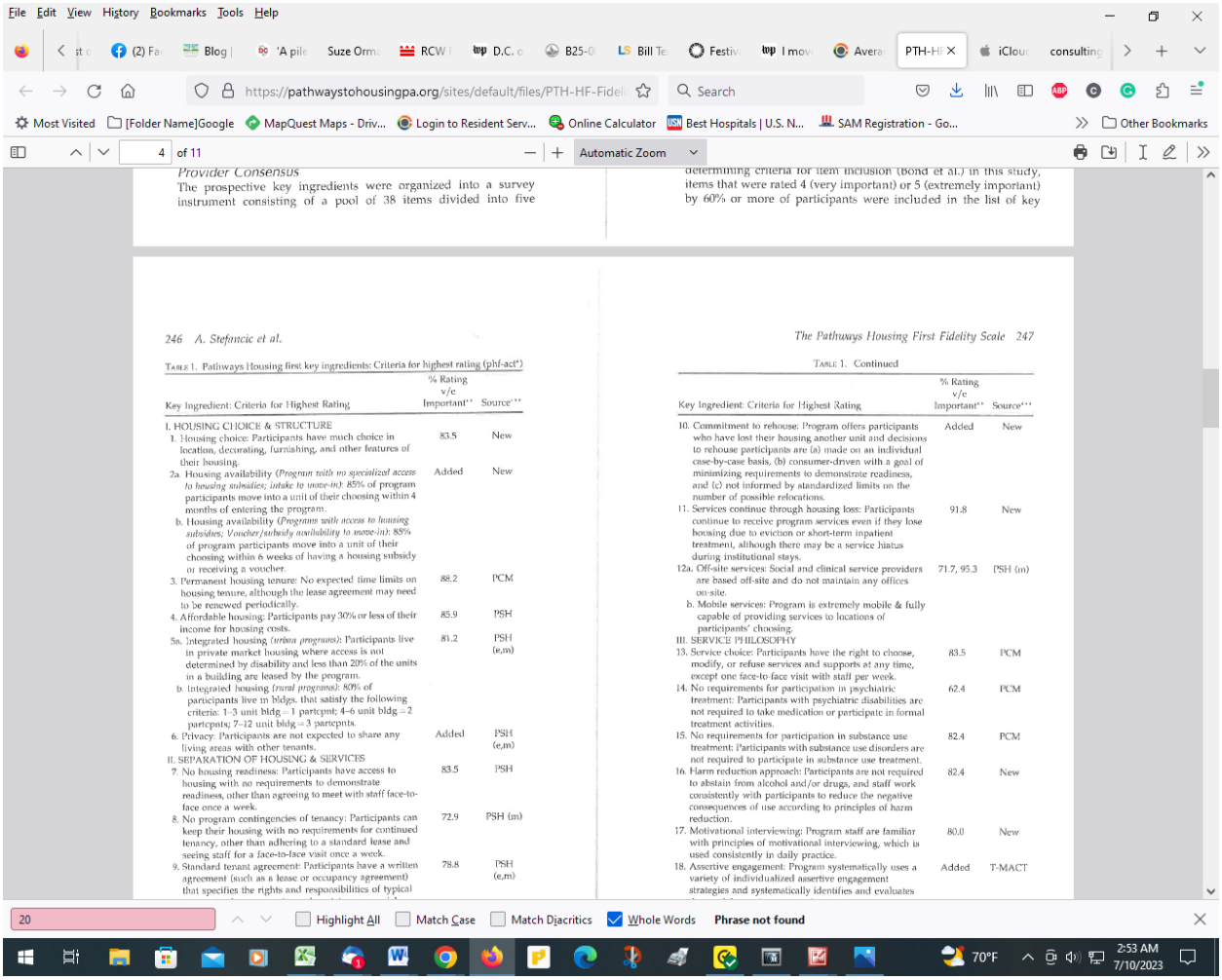
(1) DC'S IMPENDING CASH2COVENANT PROGRAM IS A POTENTIAL LOOPHOLE. I'm concerned that as the city urges landlords to enter into "covenants" on vacant apartments and even on whole buildings, "covenanted housing" will provide a loophole enabling landlords to evade the requirements of B25-0227. **Since the bill talks about "vouchers" and the Cash2Covenant program talks about "covenants" and "covenanting," please add the word/concept COVENANT (and any other language particular to the covenant program) to your bill, so that covenanted housing in/of rent-controlled buildings can also fall under the requirements of your bill and be made /maintained affordable.**

This would be especially important in the case of (though not only) whole buildings being covenanted, since then there would be no other units in that building to compare rents to in order to arrive at a "reasonable rent." Covenanting whole buildings could even skew "rent reasonableness" calculations in a whole neighborhood. That makes it urgent to add applicable language from and related to the covenant program to the language of B25-0227.

(2) <u>RETROACTIVITY</u>. Please find a way to increase the coverage of the bill in order to bring existing voucher contracts within its purview (that is, not just new voucher contracts signed after the bill has passed). My understanding is that landlords are required to renew their voucher contracts with the city annually. If so, please find a way to make that annual renewal an opportunity to bring excessive and therefore overly tempting landlord profits under control.

I recently heard that landlords who rent to subsidized tenants are strategizing to circumvent possible applicability of the bill to them by foregoing a rent increase in their renewal contracts, allowing them to hold onto their already inflated rent profits. **I urge you to find a way to bring all existing contracts, at least at their time of renewal if not before, under the requirements of B25-0227—whether or not landlords request a rent increase.**

(3) <u>STRAYING FROM THE HOUSING CHOICE MODEL</u>. DC's administration of the Housing Choice Voucher program strays from the Housing Choice model established by the federal government. That model proposed that no more than 20% of units in a given building be leased to subsidized tenants. Please see 5a on p. 246 below: https://pathwaystohousingpa.org/sites/default/files/PTH-HF-Fidelity-Scale.pdf.



246 A. Stefancic et al.

TABLE 1. Pathways Housing first key ingredients: Criteria for highest rating (phf-act*)

Key Ingredient: Criteria for Highest Rating	% Rating v/e Important**	Source***
I. HOUSING CHOICE & STRUCTURE		
1. Housing choice: Participants have much choice in location, decorating, furnishing, and other features of their housing.	83.5	New
2a. Housing availability (*Program with no specialized access to housing subsidies; intake to move-in*): 85% of program participants move into a unit of their choosing within 4 months of entering the program.	Added	New
b. Housing availability (*Programs with access to housing subsidies; Voucher/subsidy availability to move-in*): 85% of program participants move into a unit of their choosing within 6 weeks of having a housing subsidy or receiving a voucher.		
3. Permanent housing tenure: No expected time limits on housing tenure, although the lease agreement may need to be renewed periodically.	88.2	PCM
4. Affordable housing: Participants pay 30% or less of their income for housing costs.	85.9	PSH
5a. Integrated housing (*urban programs*): Participants live in private market housing where access is not determined by disability and less than 20% of the units in a building are leased by the program.	81.2	PSH (e,m)
b. Integrated housing (*rural programs*): 80% of participants live in bldgs. that satisfy the following criteria: 1–3 unit bldg = 1 partcpnt; 4–6 unit bldg = 2 partcpnts; 7–12 unit bldg = 3 partcpnts.		
6. Privacy: Participants are not expected to share any living areas with other tenants.	Added	PSH (e,m)
II. SEPARATION OF HOUSING & SERVICES		
7. No housing readiness: Participants have access to housing with no requirements to demonstrate readiness, other than agreeing to meet with staff face-to-face once a week.	83.5	PSH
8. No program contingencies of tenancy: Participants can keep their housing with no requirements for continued tenancy, other than adhering to a standard lease and seeing staff for a face-to-face visit once a week.	72.9	PSH (m)
9. Standard tenant agreement: Participants have a written agreement (such as a lease or occupancy agreement) that specifies the rights and responsibilities of typical	78.8	PSH (e,m)

Provider Consensus

The prospective key ingredients were organized into a survey instrument consisting of a pool of 38 items divided into five

determining criteria for item inclusion (Bond et al.) in this study, items that were rated 4 (very important) or 5 (extremely important) by 60% or more of participants were included in the list of key

The Pathways Housing First Fidelity Scale 247

TABLE 1. Continued

Key Ingredient: Criteria for Highest Rating	% Rating v/e Important**	Source***
10. Commitment to rehouse: Program offers participants who have lost their housing another unit and decisions to rehouse participants are (a) made on an individual case-by-case basis, (b) consumer-driven with a goal of minimizing requirements to demonstrate readiness, and (c) not informed by standardized limits on the number of possible relocations.	Added	New
11. Services continue through housing loss: Participants continue to receive program services even if they lose housing due to eviction or short-term inpatient treatment, although there may be a service hiatus during institutional stays.	91.8	New
12a. Off-site services: Social and clinical service providers are based off-site and do not maintain any offices on-site.	71.7, 95.3	PSH (m)
b. Mobile services: Program is extremely mobile & fully capable of providing services to locations of participants' choosing.		
III. SERVICE PHILOSOPHY		
13. Service choice: Participants have the right to choose, modify, or refuse services and supports at any time, except one face-to-face visit with staff per week.	83.5	PCM
14. No requirements for participation in psychiatric treatment: Participants with psychiatric disabilities are not required to take medication or participate in formal treatment activities.	62.4	PCM
15. No requirements for participation in substance use treatment: Participants with substance use disorders are not required to participate in substance use treatment.	82.4	PCM
16. Harm reduction approach: Participants are not required to abstain from alcohol and/or drugs, and staff work consistently with participants to reduce the negative consequences of use according to principles of harm reduction.	82.4	New
17. Motivational interviewing: Program staff are familiar with principles of motivational interviewing, which is used consistently in daily practice.	80.0	New
18. Assertive engagement: Program systematically uses a variety of individualized assertive engagement strategies and systematically identifies and evaluates	Added	T-MACT

This is important because, unfortunately, DC's straying from the federal Housing Choice model has resulted, in many buildings, in a re-concentration of the poverty that voucher programs are intended to alleviate. Subsidized renters occupy up to 50% and more of units in a number of buildings. That in turn has sometimes led to unsafe and even violent living conditions caused by a small number of voucher holders not ready to live independently who constitute a significant percentage of tenants in given buildings. Please note that all residents, both subsidized and unsubsidized, have as a result expressed fear and concern about their safety in these buildings.

Please strengthen B25-0227 in markup by incorporating a requirement to adhere to the rental cap in the federal government's original Housing Choice model—no more than 20% of a building should be leased to subsidized tenants.

Suggestion (4) below is related to this suggestion and points to a way in which that original goal of the federal Housing Choice model can be facilitated in the District even if language about the 20% cap cannot be passed into law at this time.

(4) <u>EXPAND HOUSING CHOICE BY EMPHASIZING THAT MARKET-RATE BUILDINGS MUST LEASE TO SUBSIDIZED RENTERS</u>. Following from (3) above is a suggestion of a way to strengthen this bill—by adding during markup new language, reinforcing that landlords not only in rent-controlled buildings, but also in market-rate buildings (that is, non-rent-controlled buildings), must rent to subsidized tenants. (I wish it were possible to work with the OAG on this, so that market-rate housing landlords would understand they will be sued if they cannot open their books and show that they're leasing to subsidized tenants.)

I believe it's already the law that no rental buildings (including market-rate rental buildings) can refuse to rent to applicants on the basis of source of income (nor indeed on virtually any other basis). But for some reason, **this even-handedness in leasing to subsidized renters isn't what's happening on the ground.**

Inserting language in the bill to double down on expanding housing for subsidized renters in market-rate housing would help reduce the percentage of subsidized renters in any given building. That in turn would help reduce the number of subsidized renters in a given building who might not be ready to live independently. And it would help prevent the current replication of concentrations of poverty that the Housing Choice model was established to reverse.

Moreover, inserting more emphatic language of this kind is consistent with language already in the bill (C) (h): "When determining the total rent to be paid for a housing unit leased under this section, the Authority shall ensure that the rent does not exceed that which would be paid if the same housing unit were being leased on the private market. . . [my emphasis]" (lines 77-79). If I understand that language correctly, it would be only a small change to incorporate during markup emphatic and specific language about private-market buildings renting to subsidized tenants, but a change with hugely beneficial effects.

Thank you for giving me this opportunity to testify.

LAW OFFICES OF
PATRICK G. MERKLE, PLLC
2120 L STREET, NW, SUITE 825
WASHINGTON, D.C. 20037

ADMITTED IN DC, MD. & VA

(202) 223-9091
PGMERKLE@AOL.COM

TELECOPIER:
(202) 293-8304

June 29, 2023

Via Email to: rwhite @ dccouncil.gov

Robert C. White, Jr.
Chairman
Housing Committee
D.C. Council
1350 Pennsylvania Ave., NW
Washington, D.C. 20005

Re: *Summary of Testimony for Committee Hearing June 29, 2023*

Dear Chairman White:

In respect of my remarks before the Committee, today, I appreciate the opportunity to testify as a public witness in multiple capacities:

* Small landlord with diverse properties from Capitol Hill to far Southeast.
* Property Manager for a small landlord decedent's trust.
* President of a Condominium Association of 24 Units.
* Attorney who represents clients, primarily tenants, in L&T Court.

To provide context, I have 34 years' experience as a small landlord and additional responsibilities providing housing for citizens of Washington, D.C. and here are the most important issues which need to be addressed, and new legislation is not necessary to accomplish that:

1. First and foremost, DC Housing Authority permits unlicensed landlords to provide units to HCVP voucher holders. This is crazy and I have repeatedly suggested to DC Housing that they require a copy of the housing provider's Housing Business License when qualifying their property to house a voucher holder.

2. As noted by numerous government agencies, DC Housing does not audit the federal requirement on Page Four of the Request for Tenant Approval, Page Two, ¶12. Where owners must "certify that the rent charged to the a voucher tenant is not more than the rent charged for other unassisted comparable units." If DCHA

were serious about stretching its budget to cover more units, that would stretch available funding while permitting owners to match their highest allowed rent under the rent stabilization program, but not provide an incentive to stop renting to unassisted tenants.

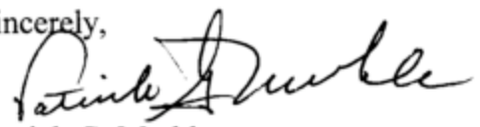
3. I was a friend of the late housing advocate CCNV leader Mitch Snyder from 1980 until his death in July 1990. It's likely I was the last person to hear from him while he was holed up in his room at the shelter where he committed suicide and was not found for several days. Mitch was most concerned about people who were released from mental health facilities to the street who cannot live without assistance. Groups like Community Connections place their mental health clients in HCVP units and the workload for the landlord is much, much higher than for the usual voucher holder. I am a go-to landlord for CCDC because I enjoy working with individuals I can help achieve a better situation for themselves. I am willing to provide their mental health clients with the additional personal services which help them in their daily living, even though the ones I've housed would qualify for residential programs where there are skilled professional providing onsite care to meet their needs.

4. We have created two classes of housing, but there is no correlation between class of housing and financial need. Having rent control in older properties located in high-value parts of the city simply results in high-income individuals being housed for cheap. A landlord will not choose to rent to a tenant who can barely qualify financially to afford the reduced rent of a rent-controlled unit when they can rent to a high-income individual who will not likely ever be late with their rent payment. The solution is to use housing assistance payments for low-income people to qualify for renting wherever they want to, and eliminating the incentive which rent control works for savvy wealthy tenants.

Thank you for the opportunity to be heard on this. I oppose any new legislation without first enforcing the rules already in place.

Remember, Looking forward to further progress,

Sincerely,



Patrick G. Merkle

Testimony of the
Apartment and Office Building Association of Metropolitan Washington
on
B25-0227, "Rent Stabilization Protection Amendment Act of 2023"
Council of the District of Columbia
The Committee on Housing
June 29, 2023

The Apartment and Office Building Association of Metropolitan Washington, DC (AOBA), represents members managing approximately 108,000 residential rental homes. AOBA housing managers and owners create, operate and maintain critical housing stock here in the District. We are committed to best practices in 6 major areas: building operations and management; life safety; security and risk management; training and education; sustainability; and tenant relations.

This statement shares only our initial concerns with B25-0227, "*Fairness in Renting Clarification Amendment Act of 2023*" as currently written. AOBA opposes how B25-227 effectively rolls back rental housing rates for current Housing Choice Voucher Program (HCVP) participants. This has the unintended consequence of limiting where participants in the HCVP may reside. Any additional effects of the bill and how they would interplay with HUD guidelines remain unclear. Overall, AOBA agrees with the DC Housing Authority's (DCHA) recommendation that the Council table this measure until after the public rent control database has been released to review and reassess our affordable housing needs.

Over the last year, AOBA has had the opportunity to work with the DCHA on the issue of rent reasonableness. DCHA released updated guidance, along with a new tool from AffordableHousing.com, to streamline the way rent reasonableness determinations are completed. As it stands, rent increases on units occupied by HCVP tenants must fall within the detailed criteria laid out in AffordableHousing.com and increases must be limited to 8.9%. If a housing provider applies for a rent increase and DCHA determines the current rent is outside the realm of reasonableness, that unit's rent will be decreased accordingly. This is in line with the Department of Housing and Urban Development's (HUD) rules DCHA must already follow.

While AOBA understands the Council is concerned with certain HCVP rents, DCHA's independent data analysis determined prior overpayments were outliers in their portfolio. In fact, AOBA's internal research supports these findings, as many of our members have not seen increases for their rental units for nearly 5 years. The modest aforementioned allowable increase, which only went into effect on July 1. will not make up for the years in which rents were frozen.

In conclusion, AOBA maintains HCVP tenants must be able to live in all eight wards and we oppose any action by the Council which may limit their ability to do so. AOBA has full confidence DCHA's new tools are sufficient to address any past overpayments and allow current tenants to remain in their homes. AOBA is always happy to provide additional input and answer any questions on behalf of our member companies.

The Committee of 100
on the Federal City

Rent Stabilization Protection Amendment Act of 2023

Council Committee on Housing

Testimony of David Marlin, Trustee, Committee of 100 on the Federal City

My name is David Marlin and I am appearing on behalf of the Committee of 100 on the Federal City to support the Rent Stabilization Protection Amendment Act of 2023 introduced by Matthew Frumin, Councilmember from Ward 3. We are delighted that this pending legislation is supported by a majority of the Council.

This proposal seeks to reform flaws that have developed in the voucher program administered by the District of Columbia Housing Authority (DCHA). HUD, the federal housing agency, has provided funding to DCHA for Section 8 vouchers, known as HCVP vouchers, to house low- and moderate-income District residents in privately owned housing. In response, the DC government created a housing voucher program patterned on Section 8 which is administered by DCHA. These voucher payments, which supplement tenant contributions, frequently have been too large, often because DCHA accepts whatever rent a landlord requests. This legislation will require DCHA to comply with a standard of reasonableness when calculating its rent subsidies in rent-stabilized buildings, also known as rent controlled buildings.

A recent HUD audit documented the disparities in the rents paid through the voucher program and the rents charged in rent control buildings, in violation of federal and District laws and regulations. The Washington Post has estimated that unreasonable voucher payments have exceeded $1 million per month. Clearly, more vouchers could be financed if windfall rent payments were eliminated. We have several recommendations for improving the legislation.

1. Relying on DCHA to create a rent-reasonable assessment process may take some time We urge this legislation be modified to require DCHA to pay no more for a voucher tenant than the last rent charged for a tenant who occupied that rent-stabilized unit until DCHA has created a system that bases the voucher rent on the lower of the reasonable rent for the unit or the last rent-stabilized rent. The need for this recommendation is immediate to conserve Section 8 funds, permit more deserving tenants to receive vouchers (the waitlist for vouchers has been closed since 2013), prevent some landlords from exploiting the program and, importantly, ending the erosion of rent controlled units.
2. DCHA will need to ensure it has the staff needed to implement rent reasonableness calculations for all rent-stabilized units where vouchers may be used. We recommend that DCHA be required to publish its new formula of rent reasonableness for comments before implementation. Close oversight by the Council may be necessary and we are confident this Committee will be involved.

We also want to strongly recommend that the Committee on Housing, chaired by CM Robert White, revisit and hold hearings to reform the rent control statute. As you would know, extensive hearings were held in 2000 at which dozens of tenants, tenant organizations, landlords and their ally the Apartment and Office Building Association (AOBA), the Legal Aid Society, the Office of Tenant Advocate, the leadership of DHCD and others testified. The only results of this great interest in reforming the rent stabilization program were two existing moratoria affecting Voluntary Agreements and Certificates of Assurance. The latter has prevented the District from expanding rent control to buildings constructed after 1975. The cans have been kicked down the road. It's time for legislative reform.

Thank you for this opportunity to testify. David Marlin

Good morning Council Member White and other council members. I have read both pieces of . legislation and of all the things I've criticized you all about this season I want to commend you all for bringing forth B25-0049. My only concern with the Rent Stabilization act is that it doesn't reference penalty for the housing authority in their delinquencies in audit. If it has been found that an agency has been out of compliance there should be some form of punitive penalty. Think of how many families were frozen out of housing or lost housing. We citizens always bear the brunt of government mismanagement. It should be only right that some definitive recourse or wording referencing the impacted constituency be mentioned in the very legislation drawn to have an impact on them. I just read an article in the Washington Post about Mcpherson square and the homeless encampment. The article stated that the city evicted 69 tent encampments in 2022 and we're on pace to exceed that by 40 this year. I just spoke before Councilmember Mcduffie in the reparations hearings. I posed the question of our sincerity in effort to discuss reparations when he just assaulted initiative 82. Why does every issue have to be a tug of war? In the grand scheme of things you all are a relatively small body. Yet you're as ineffective in equity as the federal government. I am a super logical person. I have to connect dots. In my dot connecting I've come to realize that

private interests dictate public policy. Please start incorporating punitive measures in your legislation governing hud. To draw up legislation that doesn’t give new directive, establish new or affirm old practice is less than. All in all this is decent and citizen orientated so thank you.

, Robert Harvey

Testimony of Robert Leardo
Co-Chair, TENAC (DC Tenants' Advocacy Coalition)
Before the Housing Committee, Robert White, Chair
B25-0227, the "Rent Stabilization Protection Amendment Act of 2023"
June 29, 2023

Thank you Councilmember White for the opportunity to testify today. I sm co-chair of TENAC, the DC Tenants' Advocacy Coalition, s citywide nonprofit that advocates for DC renters, affordable housing and rent control. And thank you Councilmember Frumin for sponsoring this legislation.

Based on the testimony heard today and based on the experience recounted by renters in other venues, there can be no arguing that the present excessive voucher payments program is causing great harm to renters of all stripes – both voucher renters and regular (nonvoucher) renters. This legislation is the first step in solving these problems.

Crime rates have increased dramatically in rent control buildings that are major recipients of the voucher program. One leading advocate has cited alarming data for the Brandywine on Connecticut Avenue, obtained by a FOIA request made to MPD. Data shows police response has increased six-fold from 2016 to early 2023 since the voucher policy began. Similar problems have been reported by The Kenmore, the Chesapeake/Saratoga, Parkwest, Sedgewick. Van Ness South, and Connecticut House. Brandywine tenant leaders report the reaction of management has in essence been: "Hey! We're not social workers! Something happening on your floor? Call the police!"

My testimony is not aimed at a detailed recounting of the harm, problems, incidents or injuries that have resulted from the mayor's policy of filling rent control buildings without any screening, concern or thought for the safety and health of tenants who are not ready for independent living. As we see, tenants with these special needs are being placed in rent control buildings, buildings that have no experience or capacity or concern - -- to care for renters in need of mental health services, halfway houses, safe housing from domestic violence, counseling services or caseworkers.

Placing tenants needing deep social services in rent control buildings essentially leaving them to their own devices, without the proper care and help they need, causing harm to themselves and their fellow voucher and nonvoucher tenants - - is a careless, cruel and inhumane policy victimizing these special needs tenants, their fellow tenants and the surrounding communities and homeowners.

I see this legislation is as a necessary stop gap measure to allow next step remedies be worked out. Disincentivizing landlords by bringing rents in line with rent control rates will stop will provide a desperately needed stop-the-madness step.

Much more needs to be done. The legislation needs to be followed by or accompanied with, funding for deep social service housing appropriate for tenants not ready for independent living.: halfway houses including caseworkers and addiction counselors for those in need of addiction services, safe haven housing with counselors and security personnel for domestic violence victims, mental health housing such as centrally run facilities operated by mental health service providers , and the like.

Mandating a screening process is also important; it is necessary that voucher recipients be screened by social service agencies for placement in the appropriate deep need social service housing and not referral to buildings not equipped to handle these needs. All these mechanisms and procedures need to be worked out with expert social service providers and the appropriate DC council staff and outside experts and personnel.

I urge that the legislation under consideration today be accompanied by such provisions or followed up with similar legislation containing provisions for deep social service housing that meets the need of residents not ready for independent living, as quickly as possible. It is imperative this not to be delayed - - before more tragedies occur to voucher tenants, other tenants, and the communities around them, along the lines mentioned here today.

Due to the urgency and importance of this legislation, it should not be delayed due to lack of financing, what the mayor's CEO always claims for projects that benefit residents, while finding millions to benefit

rich developers. The CFO and the mayor's finances are cold instruments, cutting wherever need comes up against developer and fat cat demands. Actually this legislation may well save money for District coffers**. If extra money is necessary to fund this legislation, I urge the council to enact what has become a dread phrase but was always a tool for social progress – a "tax increase." A small tax on developers and landlords should fund deep care social service housing for those who need it. After having reaped millions through this reckless placement program alone, it is only fitting developers and building owners give back to the government a small amount of what they have reaped.** "To much is given much is required" must be our guiding principle instead of the new adage that currently governs political affairs today, "To Whom Much is given much more will be given, and for those who have litt, even that will be taken away to add to those who have much." **Thank you.**

Janice Ferebee, MSW
1221 Massachusetts Avenue, NW * #609 | Washington, DC 20005
202.213.5646 c | jferebee@janiceferebee.com

TO: District of Columbia, DC Council Committee on Housing
FROM: Janice Ferebee, MSW | Written Testimony
RE: B25-0227, the "*Rent Stabilization Protection Amendment Act of 2023*" and B25-0049, the "*Local Rent Supplement Program Eligibility Amendment Act of 2023*"
DATE: Wednesday, June 28, 2023

Good Morning Councilmember White, Chair of the Committee on Housing, Members of the Committee, and all those in attendance:

My name is Janice Ferebee. Thank you for allowing me to testify this morning. Currently, I serve as President of the Cambridge Tenant's Association (for over a decade; a tenant for 25 years; and a DC resident for 33 years). I am also the Ward 2 Committeewoman for the DC Democratic State Committee and former Ward 2 Advisory Neighborhood Commissioner for Single Member District 2F08. Please accept my testimony in **support** of B25-0227, the "*Rent Stabilization Protection Amendment Act of 2023*" and **strong opposition** to B25-0049, the "*Local Rent Supplement Program Eligibility Amendment Act of 2023.*"

In support of B25-0227, I agree with this statement made by Councilmember Matt Frumin, who introduced the Bill, "*We cannot sacrifice one form of affordable housing in favor of another. We can make the District more inclusive by protecting rent stabilization and guaranteeing that all forms of affordable housing, in every neighborhood, are accessible to voucher recipients*." I do want to qualify my support for this statement by saying that for me, not only does the practice of abusive and incessant payment of above-market rate rents by the DC Housing Authority for voucher residents, need to be overhauled; but also, the process for properly determining whether a voucher resident is prepared and adequately equipped for independent living (mentally, emotionally, and financially), including the ability to have their backgrounds checked, which to me, is the appropriate path to follow for the well-being of that individual and the community. That is why I strongly oppose B25-0049, the **self-reporting** "*Local Rent Supplement Program Eligibility Amendment Act of 2023.*"

The TENAC Oct. 31, 2022, Media Release made these points very clear: "As you know, DC renters are very concerned about the current policy of placing voucher holders with deep social service needs in rent control buildings that lack these services. Without needed mental, addiction, and other behavioral services, tenants having these special needs have been disrupting and destroying once serene rental communities. Once peaceful rent control buildings have become the scene of constant emergency services and police response due to the verbal and physical threats and violence that have resulted from the reckless placement of tenants having deep need of social services in buildings lacking these services on-site." I have recent personal experience with this issue.

"In truth, these tenants with special needs are causing harm not just to other tenants, but to themselves as well. This well-documented, justified distress is NOT a NIMBY response or about race or a new-to-our community question. These are false labels.

The rest of my testimony will be brief – based on my personal experience.

I am a native New Yorker; a retired nonprofit professional with a Master of Social Work from the University of Pennsylvania; an award-winning female empowerment expert and author; blessed with over 30 years in long-term recovery from drug and alcohol abuse. My addiction took me from recreational use, to coping on Willis Avenue in the Bronx (NY), to spending time in the Tombs, the colloquial name for the Manhattan Detention Complex, a municipal jail at 125 White Street in Lower Manhattan, New York City – and finally to treatment and the Oxford House system in both Maryland and DC.

As someone who doesn't look like what they've been through but has had to have my life managed by others until I was ready to re-enter society, the issue of a voucher resident's acceptance into independent living housing has nothing to do with the source of that potential tenant's rent, but whether they are prepared for independent living. No matter what situation an individual comes from, if they need support to live independently (like I did), they need to seek it, and the appropriate D.C. government agencies and community organizations need to address and support their needs (screening to determine an individual's eligibility and readiness; and provide the appropriate wrap around services). Now, if the city can't do that | those are additional issues that need to be addressed. The issue is — ANY individual who breaks the rules of their lease (rules ALL residents are bound by), breaks the law, and/or can't abide by/live by the rules of the residential community (i.e., puts their hands on other residents or puts others in harm's way), they don't have the right to live in that community. That goes for ANY/ALL residents!

Thank you for allowing me to testify today.

1615 New Hampshire Avenue NW Floor 3
Washington, DC 20009
202.626.0099
dcrealtors.org

TESTIMONY OF THE DC ASSOCIATION OF REALTORS® BEFORE THE COUNCIL COMMITTEE OF HOUSING

Regarding B25-0227 - Rent Stabilization Protection Amendment Act of 2023

June 29, 2023

Good morning, Chairperson White, committee members, and staff. Thank you all for allowing us the opportunity to provide testimony. My name is Jean Poitevien. I am the Chairman of the Regulatory Affairs Subcommittee at the DC Association of REALTORS®. DCAR and our over 3,000 members are a voice for real estate professionals, small housing providers, homeowners, and renters who live and work in the District. DCAR takes pride in our members' ability to guide buyers and sellers, renters, and property owners through making vitally important housing decisions.

DCAR has had the opportunity to review this bill. While we have concerns about the practicality of what this legislation aims to achieve, DCAR would support right-sizing vouchers if the bill clearly stipulates that the annual rent increases for vouchers would also be fixed to the rent increases established in the rent stabilization system. Historically, the value of the vouchers has remained stagnant because the annual cost-of-living increases have not been incorporated in the value of the vouchers. While DCAR is aware that there are mechanisms for rents to increase, but it is carried out inconsistently. Therefore, DCAR requests that the Committee make the language clear that the rent increases would work in tandem with the rent stabilization program to provide stability for both tenants and housing providers.

DCAR also recommends adding language that would govern the voucher system in parallel with the existing rent stabilization program by specifying that housing providers with five units or less should not be subjected to a rent-control baseline price. These smaller housing providers include individual homeowners who are renting out a portion of their home or an English basement unit. Given that they have different resources than larger housing providers, changing the pricing structure could hinder the ability of smaller providers to remain stable and continue housing their tenants.

Additionally, it is essential to note that changing the pricing structure alone for voucher units will not meet goals for improved building conditions as anticipated. Tenants and housing providers alike are feeling the impacts of inflation. Stemming the flow of income for housing providers can have unintended consequences of making necessary repairs financially dangerous, especially during periods of economic hardship. Housing providers have been deeply impacted by both the pandemic and inflation, and have experienced additional costs during this

difficult recovery period. With a moratorium on both evictions and rent increases over the past 3 years, housing providers have had to shoulder the financial burden of both crises. Cutting back on the housing provider's financial security will directly impact what they can provide their tenants.

Finally, in the bill introduction, there is a heavy emphasis on the importance of healthy and safe living conditions. The introduction letter paints a grim picture of housing providers intentionally leaving units in poor shape to drive out non-voucher tenants. While there will be bad actors in every industry, creating new legislation that casts a broad stroke of negativity over housing providers and impacts their financial security and success is not the answer we should jump to.

There are regulations in place that aim to address the concerns of living conditions that the introduction specifies. For example, the city conducts inspections on units annually. If the city is conducting these inspections, it is concerning to us that units deemed unfit for tenants are being passed. DCAR would welcome the opportunity to explore further solutions where existing mechanisms to promote healthy living conditions run by the city can be improved and enforced.

DCAR appreciates you affording us the time to share our association's perspective and looks forward to continuing to discuss this legislation. We are happy to answer any questions that the council has.

D.C. TENANTS' RIGHTS CENTER
WWW.DCTENANTS.COM

B25-0227 - the "Rent Stabilization Protection Amendment Act of 2023"

Testimony of Leigh Higgins, Senior Attorney at the D.C. Tenants' Rights Center

Before the Committee on Housing
Councilmember Robert C. White, Jr., Chair

I am submitting written testimony on behalf of the D.C. Tenants' Rights Center. We are a small private law firm that helps tenants with issues including eviction, lease terminations, repairs, security deposits, TOPA, and rent control issues.

We support the **Rent Stabilization Protection Amendment Act of 2023** (B25-0227). As noted in other written testimony, this practice of overpaying by DCHA has had detrimental effects on all tenants and has caused buildings to be overpriced, which undercuts the TOPA rights of tenants when their buildings are sold. This incentivizes developers to pay large buyouts to tenants when they purchase the building, which then accelerates the displacement of long-time D.C. residents.

Further, the Center urges the Council to consider new ways to ensure that the rent stabilization program is protected and can grow in the future – this practice by DCHA has cannibalized one form of affordable housing for another and many rent controlled units have been lost in the process. As Chairperson White recently noted, there is no accurate way to measure the harm without knowing the number of units covered by rent control in the District, but it is clearly an ever-shrinking supply if no new units are ever added to the program. The Center urges the Council to consider updating the rent

stabilization laws to include all buildings built more than 15 years ago so that, going forward, more units are added to the rent-controlled housing stock in the District.

Strengthen Enforcement Options

The Center feels that the biggest issue with today's bill is the lack of practical enforcement mechanisms. From a practical perspective, Housing Providers will have little incentive to follow this new change in the law because nobody will be likely to challenge a rent amount that doesn't comply. While the proposed language adds requirements for DCHA, that agency has not shown an ability or willingness to follow current laws or regulations and it's hard to imagine that this change will set them on a different path. Currently, the only option for challenging an exemption or rent amount under the rent stabilization program is for a tenant to file a Tenant Petition (which is heard by the Office of Administrative Hearings). Voucher holder tenants have no financial incentive to push back on the rent amount if it doesn't affect their monthly payment amount and if any recovery would likely go to DCHA (as the party who overpaid the rent). Therefore, Housing Providers have little incentive to actually change their practices and follow this new law if nobody is going to enforce it.

This is similar to the Source of Income Discrimination dilemma – it is already against the law for a Housing Provider to require different terms (higher rent) because of the applicant's source of income[1]. But here we are – Housing Providers are still charging DCHA a higher rent amount than they do for tenants without a voucher. DHCA is not pushing back on this, and voucher holder tenants aren't either

[1] D.C. Code § 2–1402.21(a)(1)

(because there is no economic harm to them). Who has an incentive to change this behavior if nobody is challenging it? Not the Housing Providers, who continue to profit by not following the law.

We urge the Council to think creatively about adding some type of enforcement mechanism that would actually encourage both DCHA and Housing Providers to follow this new law. One possibility would be to add statutory damages or fines, similar to the Consumer Protection Procedures Act.[2] Another possibility would be to allow the tenant to keep any recovery so the individual tenant has an incentive to pursue a Tenant Petition without DCHA. The Center is happy to talk with Councilmembers and staff about these and other possibilities after today's hearing, if that's helpful.

Thank you for your attention to the ongoing struggle of tenants who deserve safe and affordable homes in the District. The Center supports Bill 25-0227 and asks that you further strengthen this bill to protect tenants.

[2] D.C. Code § 28–3905 provides for both agency action and a private right of action for consumers, including treble actual damages or $1500 per violation, attorneys fees, punitive damages and injunctive relief.

WARD 4 DC DSC COMMITTEEWOMAN RENÉE BOWSER

IN SUPPORT OF B25-0227 RENT STABILIZATION PROTECTION AMENDMENT ACT OF 2023 AND OTHER CRITICAL REFORMS

June 29, 2023

Good day, Chairman White and members and staff of the Committee on Housing. My name is Renée Bowser and I am testifying today in my capacity as Ward 4 Committeewoman for the DC Democratic State Committee. I am also a member of Empower DC and DC for Democracy. I am testifying in support of Bill B25-0227, "Rent Stabilization Protection Amendment Act of 2023."

I support Bill B25-0227 because the bill, if enacted and accompanied by active oversight and enforcement of its provisions, will help prevent the DC Housing Authority (DCHA) from further cannibalizing and eliminating rent stabilized (controlled) housing in the District to the detriment of current rent-controlled tenants and incoming voucher holding tenants.

In March 2022, the U.S. Department of Housing and Urban Development Coordinated by the Northeast Public Housing Network ("HUD March 2022 Report on DCHA") conducted the District of Columbia Housing Authority Assessment. The March 2022 HUD Report covered the period October 1, 2019 to the date of the Report. The Report found that DCHA improperly administered the Housing Choice Voucher Program (HCV). Specifically, the Report found that "DCHA does not conduct annual rent reasonableness[1] assessments or perform rent reasonableness determinations in accordance with HUD rules and regulations and its MTV [Moving to Work] Plan." Finding HCV 5 at 46. HUD found that it was unclear what DCHA's actual 'process' is to verify that unit rents are reasonable.[2] Finding 5 at 47. As one corrective action, HUD ordered DCHA to "establish policies and procedures to ensure that DCHA is performing a rent reasonableness determination before executing a HAP contract."[3] The Report also found that DCHA is not calculating Housing

[1] Reasonable rent is defined as "[a] rent to owner that is not more than rent charged: (1) for comparable units in the private unassisted market; and (2) for comparable unassisted units in the premises." 24 [Code of Federal Regulations] C.F.R. §982.4(b) Definitions.

[2] In 24 C.F.R. §982.507(b) Rent to owner: Reasonable rent. The regulation states that "[t]he PHA [public housing authority] must determine whether the rent to owner is reasonable rent in comparison to rent for other comparable unassisted units. The PHA must consider: (1) location, quality, size, unit type, age of the unit; and (2) any amenities, housing services, maintenance and utilities to be provided by the owner in accordance with the lease."

[3] HAP contract is a Housing Assistance Payments Contract. District of Columbia Housing Authority Administrative Plan Housing Choice Voucher Program, April 12, 2023 at 18-20. The HUD Report ordered DCHA to conduct a rent reasonableness analysis for 2021, 2033, and 2023.

Assistance Payments and the family rent to owner[4] in accordance with HUD rules and regulations. Finding HCV 6 at 47. Furthermore, HUD found that "DCHA is not verifying rent burden for new lease-up and moves in accordance with HUD rules and regulations and it MTW plan." Finding HCV 7 at 47.

Earlier this year, on-the-ground investigations and other accounts demonstrate the terrible consequences that DCHA's policy of refusing to comply with HUD and DC regulations governing housing choice vouchers (HCVs) have on rent stabilized and voucher holding tenants. Specifically, investigative reporters for the Washington Post and WAMU produced two articles that examined how developers are pushing out low-income tenants from rent stabilized (controlled) buildings citywide to transform them into voucher holder *only* buildings and gaining massive rental profit as a result. Steve Thompson, Dalton Bennett, "D.C. overpays landlords millions to house the city's poorest," Wash Post, Feb. 16, 2023; Morgan Baskin, "The Next Hottest Rental Strategy? Market to Housing Choice Voucher Holders," WAMU, March 20, 2023. The articles show that the developers are buying out renters of rent stabilized (controlled) buildings using the Tenant Opportunity to Purchase Act (TOPA), and converting them to voucher holder *only* buildings. The developers' scheme is very lucrative because voucher holders are being charged much higher rents than the displaced rent-controlled tenants and higher rents than the market rents for comparable apartments in the surrounding area.[5]

Even more outrageous, the developers are enriching themselves by creating additional bedrooms per unit within the same floor space because DCHA pays developers higher rents as the number of bedrooms increases. And when tenants in rent-controlled buildings refuse to take a buyout, developers allow poor maintenance of their units to deteriorate into squalor conditions. Significantly, the accounts of Ward 4 ANC Commissioners I've spoken with about the experiences of former tenants of stabilized (controlled) buildings in their single member districts who have been bought/forced out by property owners endeavoring to transform their buildings to voucher holder tenant *only* buildings mirror the experiences of rent stabilized (controlled) tenants set forth in the above-cited articles.

---

[4] Family rent to owner is defined as "[i]n the voucher program, the portion of rent to owner paid by the family. For calculation of family rent to owner, see §982.515(b)." 24 C.F.R. §982.4(b).

[5] A voucher holding tenant is required to pay 30% of family adjusted gross income and DCHA pays the remainder of the inordinate rents. U.S. Dept. of Housing and Urban Development, Housing Choice Vouchers Fact Sheet. https://www.hud.gov/topics/housing_choice_voucher_program_section_8 (accessed June 27, 2023).

That is why Bill B25-0227 is so important to be enacted. The legislation would require housing providers to conduct reasonable rent determinations and charge a voucher recipient the amount that a new private tenant would pay under the rent stabilization laws.

However, the Housing Committee must lead DC Council to take additional, critical action. The Housing Committee must enact legislation that: (1) places the burden of proof on housing providers to demonstrate to the Department of Housing and Community Development (DHCD) and DCHA that the housing providers have secured knowing and voluntary waivers from tenants who release their TOPA rights; (2) prohibits enforcement of illegally obtained waivers and provides for the claw back of government funding granted to developers who secured waivers by fraud; (3) prohibits DCHA from leasing buildings from developers for voucher holding tenants when the developers (including limited liability corporations in which the developer has a 20% or greater share) have unpaid and uncorrected housing code violations in any other building the developer owns within the District; (4) prohibits DCHA from leasing buildings from developers where the developers have increased the number of bedrooms in existing units within the exact same floor space; and (5) prohibits treating rent stabilized (controlled) buildings that developers have transformed into voucher holding tenant buildings as "newly covenanted existing units"[6] that DMPED adds to its count of 12,000 affordable units.

Thank you, and I would be happy to answer questions.

Dated: June 29, 2023

Renée L. Bowser, Esquire
DC Bar No. 487086
Ward 4 Committeewoman DC Democratic State Committee
Member, Empower DC
Member, DC for Democracy
Reneelb@outlook.com
@ReneeLBowser

[6] Newly covenanted existing units are defined as new, dedicated affordable units that are created by establishing affordability covenants on existing housing units that do not currently have an affordability covenant. DMPED 36,000 by 2025 Dashboard. https://open.dc.gov/36000by2025// (accessed April 23, 2023).

Dear Chairperson White and Members of the Housing Committee,

I write in haste to meet the testimony deadline in support of Councilmember Frumin's B25-227, the Rent Stabilization Protection Amendment Act of 2023.

Over-inflated voucher payments on rents have wildly distorted the rental market in D.C. and created monetary incentives for landlords to fill up buildings with as many voucher tenants as they can cram into a building, frequently hiding available units from those citizens just looking to rent in a rent-controlled property, which is in no way fair. I want voucher holders helped and housed throughout the District, and they unquestionably have a right to housing; however not to the determent of the living conditions of the tenants who already live in rent-controlled buildings and work hard and often struggle to pay their rents and be good neighbours and care for the building they live in.

My building, under Carissa Barry's criminal tenure at Daro, has become an unsafe and unpleasant place to live due to this very money grasping scheme that landlords throughout D.C. are currently exploiting. My building has become a place where the garbage is overflowing with refuse and rats, and our elevators frequently have urine in them. I have been threatened by voucher tenants here who are visibly on drugs and have had dog feces left in front of my front door on one occasion and no matter how many times I have complained to and informed Daro management and Tangela of these offenses I was met with nothing but feigned shock and ignorance which

resulted in nothing having been done to correct the problems and excuses about how her hands are tied by the city. The same goes for the ongoing smoking/vaping problem in my building. The former building manager here, Tangela McElroy, who was only just fortunately removed by the new Borger management team a few weeks ago, was admitting voucher tenants without any kind of vetting and who in no way were fit to live alongside other people (two of whom were literally drug dealers who tenants had to call the DCPD for help with) just to reap the financial rewards that Carissa was demanding she accrue from this very abuse of the Voucher program. Currently nothing is able to be ordered in my building because the vendor will no longer sell to my building because Tangela has never paid them and they have frozen the building's account, is this any way to live normally while we are expected to pay this years's higher rent each month and on time?

To quickly sum up : the current situation is being used by bad actors to flood rent-controlled buildings with voucher tenants, in the hopes that long term tenants will be faced with no other option than to flee the unsafe buildings they have found have transformed around them via stealth all done out of nothing but the grasping greed of their landlords.

The city cannot try to help some of the neediest tenants in D.C. while doing nothing to protect the people who NEED to live in rent controlled buildings such as myself and others like me, without providing the same kind of protections so we are shielded from being forced and priced out of the buildings we can afford to live in. The law must always remember that in

situations like this ‘what is fair and just for one, must be fair and just for all’ The Voucher Program’s recipient’s protections cannot be placed above the safety and rights of the Rent Control program’s recipients and that is exactly what has been and is currently happening all over the District. The programs can and must be able to co-exist where both groups needs are met and are offered the protections of each program.

The rental market in D.C. is hyper-inflated as I am sure you all know making me personally live as though my back is constantly against a wall as there are no other affordable buildings to move into so I am stuck here in a sort of state of siege. D.C cannot become a city of only the very poor or the very rich and to that end protections for Rent Control must be increased and stabilized to the benefit of those who help the city flourish by being able to afford to live here without needing to be lawyers or landlords thanks to it. Again, I apologize if this is rushed and less than polished but I wanted to make sure that even hastily I chimed in in full and total support of this bill before the deadline for submitting testimony. With thanks for your understanding and consideration in reading this,

David

David Cercone
[redacted]

SOLID PROPERTIES

2300 Wisconsin Ave NW
Suite 300A
Washington, DC 20007

T. 202-737-7111
F. 202-737-7159

info@solidproperties.com
solidproperties.com

TESTIMONY OF BARRY MADANI
CEO – SOLID PROPERTIES, LLC

July 13th 2023

COMMITTEE ON HOUSING

LOCAL RENT SUPPLEMENT PROGRAM ELIGIBILITY AMENDMENT ACT OF 2023
B25-0049

Subject: Testimony on Changes to Voucher Exemption on Rent Controlled Units

Dear Chairperson White and Members of the Committee on Housing,

I am writing to provide my written testimony regarding the proposed changes to the current voucher exemption on rent-controlled units. As a concerned citizen and someone deeply invested in the housing sector, I would like to draw your attention to the following key points:

1. The proposed changes to the voucher exemption will have a significant financial impact on numerous small to medium-sized housing providers. These providers, who rely on the exemption, will face immediate default on their loans. This consequence can have severe repercussions not only on the housing providers themselves but also on the stability of the housing market.
2. It is important to recognize that these housing providers play an essential role in creating and providing affordable housing to the most vulnerable tenants in our cities. By removing the exemption, we risk destabilizing the delicate balance of affordable housing availability, potentially leading to an increase in homelessness and housing insecurity among those who need it the most.
3. Removing the voucher exemption will likely trigger a city-wide movement among landlords to circumvent voucher tenants in favor of market tenants through any means necessary. This situation could result in discrimination against voucher holders and further exacerbate the challenges faced by low-income individuals and families in finding suitable and affordable housing.
4. The proposed changes will force many existing building owners to convert their properties into condominiums, effectively removing much-needed housing from the market. This conversion not only reduces the

SOLID PROPERTIES

2300 Wisconsin Ave NW
Suite 300A
Washington, DC 20007

T. 202-737-7111
F. 202-737-7159

info@solidproperties.com
solidproperties.com

availability of affordable rental units but also contributes to the loss of community cohesion, as tenants are displaced from their homes.

5. It is important to consider the wider economic implications of this proposed bill. As many affected landlords are financed through local banks, the strain imposed on the local banking environment will be substantial. This strain can have a cascading effect on the local economy, potentially impacting employment opportunities and overall economic growth.
6. Just as office buildings struggle to meet their operating and debt expenses, hundreds of small and medium-sized landlords will face similar challenges under the proposed changes. These landlords may be unable to sustain their properties, leading to further decline in the availability of affordable housing options.
7. There will be a material impact on the city's coffers as valuations drop across multiple assets, resulting in reduced tax revenue. This consequence will have a ripple effect on the city's ability to fund essential services, infrastructure projects, and social welfare programs.
8. It is important to acknowledge the city's efforts through various housing production funds, particularly with the recent initiatives by the mayor, to create a significant number of means-tested housing units on an annual basis. These ongoing efforts, combined with the continuous creation of newly constructed and quality Inclusionary Zoning (IZ) units, provide a continuous backfill to compensate for any housing units that may be converted to accommodate voucher tenants. These initiatives demonstrate the city's commitment to addressing the affordable housing needs of its residents.
9. While it is true that the number of voucher units directly impacting rent-controlled units in older buildings is a small fraction of the overall housing stock in the city, it is important to consider that means-tested housing serves the goal of affordable housing more effectively than rent-controlled units. Rent-controlled units often occupy older, run-down buildings in desperate need of updating, but without the necessary income or incentives for landlords to make substantial improvements. By prioritizing means-tested housing, we can ensure that residents have access to well-maintained, safe, and modern housing options that meet their needs while also revitalizing older properties and neighborhoods.

In summary, the city's ongoing efforts through housing production funds and the creation of means-tested and IZ units provide a continuous supply of affordable housing options, helping to mitigate the impact of any minimal conversions of rent-controlled units. By focusing on means-tested housing, we can better address the pressing need for affordable

SOLID PROPERTIES

2300 Wisconsin Ave NW
Suite 300A
Washington, DC 20007

T. 202-737-7111
F. 202-737-7159

info@solidproperties.com
solidproperties.com

and well-maintained housing, while also revitalizing older properties and promoting community development.

Furthermore, it is important to acknowledge the significance of the current rent reasonableness tool. This tool helps address the issues of overpayment in different submarkets and plays a crucial role in ensuring fair market rates and reasonable DCHA payments. It is imperative to allow the tool to continue its work in right-sizing the market and addressing any imbalances that may exist.

In conclusion, I urge the Committee on Housing to consider the potential negative consequences of the proposed changes to the voucher exemption on rent-controlled units. It is crucial to strike a balance that preserves the financial viability of small to medium-sized housing providers while ensuring the availability of affordable housing options for our most vulnerable residents. I implore you to protect the stability of our housing market and the well-being of our communities by carefully weighing the impact of this bill.

Thank you for your attention to this matter.

Barry Madani
Solid Properties
2300 Wisconsin Ave NW, STE 300A
Washington DC 20007

From: [redacted]

Subject: Testimony presentedd to the Committee on Housing, with reference to Bill : B25-0229, June 29, 2023.

Date: Friday, July 14, 2023 12:38:56 AM

Successive administrations, for decades, have been relieved to rid themselves of their responsibilities to struggle against the sizable, dysfunctional elements in government run projects. Without due diligence, the Bowser administration greatly extended the geographic area of the city where those who have no interest in assimilating themselves into their new surroundings have been sent.

The legislation that has been introduced by Councilman Matt Frumin seeks to address the problems that the administration's use of the voucher program have caused. One huge problem is that the Bowser administration, in concert with the landlords and developers, are using the voucher scheme to further accelerate the demise of the Rent Control Act..

What happens if this well intended legislation is passed by the Council and musters enough votes to override a possible veto by the mayor ? The Bill becoming law is only the first step. The question is, who will be able to exercise the required oversight over the administration's enforcement of the provisions of the law ? Is the Council willing and capable of holding a suspected,, obdurate, administration to the letter and spirit of the law ? There is much to be thought through besides getting this Bill enacted.

Roger Williams

bc.

Is the Council

Testimony of Jeffrey Rueckgauer
Council Bill 25-0227 - Rent Stabilization Protection Amendment Act of 2023

I am Jeffrey Rueckgauer, Commissioner for Single Member District 2B02, in Dupont Circle. While my testimony includes information and experience derived from my role as a Commissioner, it does not reflect an official position of ANC 2B.

The housing voucher subsidy program is an essential component in the District's toolbox. Vouchers help residents harmed by displacement from redevelopment of legacy housing avoid or recover from homelessness, and provide a hand-up while building new, independent lives. Vouchers are also vital to residents who are disabled or seniors and not otherwise able to draw an income sufficient to afford remaining in the District. However, an element of the voucher program as it exists poses an existential danger to the Rent Stabilization program.

Where Rent Stabilization sets limits on rent increases, helping to maintain affordability for tenants in stabilized buildings, rent stabilized apartments let to tenants with vouchers are "temporarily" removed from Rent Stabilization. Those rents are increased to the "market rate" of the unit, which is considerably greater. This creates the potential for significant, if not devastating, harm to District residents.

As I have testified on previous occasions, suspending rent stabilization for voucher unis, plus paying maket rare for them is like playing with fire. This "inducement" of higher rents for voucher residents could easily be abused by landlords of rent stabilized buildings. They conceivably could withhold units from the general public, favoring a voucher tenant. It could be used to force out current rent stabilized tenants by neglecting maintenance, reducing amenities, harassment; and replacing them with "higher-value" voucher tenants.

The net effect could be as bad as liquidating the inventory of Rent Stabilized units. Furthermore, as the law forbids landlords from discriminating against tenants using vouchers, there is no justification for the District to pay premium rents to get landlords to accept these tenants.

I support bill 25-227, the Rent Stabilization Protection Amendment Act of 2023 because it applies corrective measures to address unintended consequences and exploits. It will provide a measure of protection for our inventory of rent stabilized apartments. And, it will reduce program costs to District taxpayers.

I do suggest including provisions to adjust downward all current higher rents in the program; and require the Rent Administrator to validate that all rent stabilized units in the program are indeed being rented at the correct allowed rents.

Thank you for this opportunity to testify. As always, I am happy to answer any questions.

Jeffrey Rueckgauer
Commissioner - Single Member District 2B02
202.630.1455
2B02@anc.dc.gov

District of Columbia Housing Authority

Public Hearing On

B25-0049, the "Local Rent Supplement Program Eligibility Amendment Act of 2023" &

B25-0227, the "Rent Stabilization Protection Amendment Act of 2023"

Testimony of Hammere Gebreyes, Interim SVP, Housing Choice Voucher Program

June 29, 2023

Good afternoon, Chairperson White, members and staff of the Committee on Housing and members of the community. I am Hammere Gebreyes, Interim Senior Vice President of the Housing Choice Voucher Program at the District of Columbia Housing Authority (DCHA or the Agency). Thank you for the opportunity to provide testimony at today's hearing on B25-0049, the "Local Rent Supplement Program Eligibility Amendment Act of 2023" and B25-0227, the "Rent Stabilization Protection Amendment Act of 2023."

The mission of the D.C. Housing Authority is to provide quality affordable housing to extremely low- to moderate-income households, foster sustainable communities, and cultivate opportunities for residents to improve their lives. As one of the largest landlords in the city, we play a critical role in the District's affordable housing network, serving approximately 5,500 households in public housing, approximately 12,000 households in the federal Housing Choice Voucher Program, and more than 7,500 households in locally administered voucher and subsidy programs, including the Local Rent Supplement Program (LRSP).

B25-0049, the "Local Rent Supplement Program Eligibility Amendment Act of 2023"

In recent years, thanks to the support of the Mayor and the Council, the Local Rent Supplement Program has grown tremendously. In FY21, DCHA administered 5,500 local tenant-based vouchers; as of April 2023, that number has grown to more than 7,500 local tenant-based vouchers. This represents a 35 percent increase over two and a half years. Most of these vouchers support individuals and families referred to DCHA through the Coordinated Assessment and Housing Placement (CAHP) system. DCHA is proud to be a partner in the District's efforts to make homelessness rare, brief and non-recurring and applauds the systemwide strategic approach that has been undertaken to make progress towards these goals.

As introduced, Bill 25-0049 would allow applicants for LRSP vouchers to self-certify eligibility factors including their name or identification, date of birth, social security number and income, both at the time of their application and for continued occupancy. It would also prohibit DCHA

from inquiring into an applicant's immigration status or prior criminal arrests, conviction, or pending criminal matters.

As we heard today from those who testified earlier, individuals and families experiencing homelessness may struggle to locate the documents needed to apply for a voucher, delaying access to stable housing. DCHA shares the goal of reducing these barriers, and the Agency has several other initiatives underway to improve the customer experience. The Agency is also committed to program integrity and effective management of housing resources. Our testimony today makes recommendations to improve the bill to achieve both goals.

First, the bill currently states that self-certification is "final" for the purposes of both eligibility and continued occupancy. DCHA agrees that self-certification should be an option when documentation is not readily available at the time of application, but it should be subject to verification and not the highest or final form of evidence when conflicting information is readily available. For example, if an individual elects to self-certify their income, but, during the Agency's review of third-party verification systems like DC Access System (DCAS), the Agency sees that the applicant does in fact have income, the Agency should have the authority to verify that income with the applicant. This helps the Agency ensure the information we have for the applicant is complete and accurate so we can determine eligibility accordingly.

Second, DCHA believes documentation should be required at the time of recertification to affirm the household's eligibility for continued occupancy. As a reminder, recertifications happen two years after eligibility – a timeline, which for most participants, aided in many cases by case management, will be achievable for gathering documentation. In addition to being on a regular schedule, recertification notifications are mailed to customers 120 days before the due date giving ample time to prepare. We know there are some cases – for good cause – where that will not be possible, and we agree those cases should be exceptions.

DCHA strives to be good stewards of taxpayer dollars and ensure these resources reach those who need them most. Allowing DCHA to verify eligibility factors and to require participants to submit documentation at recertification helps DCHA achieve these goals.

B25-0227, the "Rent Stabilization Protection Amendment Act of 2023"

Now I will turn my attention to the Rent Stabilization Protection Amendment Act of 2023. As introduced, Bill 25-0227 requires that DCHA follow the rent determination processes already in law and regulation. It also changes a provision in the law, which currently exempts federally and locally subsidized units from rent stabilization. DCHA has concerns about the bill and its potential impact on DCHA Programs.

As the Council is aware, DCHA is positioned to begin implementation of a new rent reasonableness process effective July 1, 2023. The Agency has procured a tool from AffordableHousing.com, which is used by nearly 1,000 Public Housing Authorities across the country that streamlines the way

rent reasonableness determinations are completed. Last week, DCHA held three stakeholder information sessions to educate landlords and other partners on the unit-by-unit analyses required by the U.S. Department of Housing and Urban Development (HUD) and how DCHA will effectuate this locally. DCHA has also briefed partner agencies, for whom we administer the LRSP program, on the impact these changes may have on shared customers. Despite the significant preparations the Agency has taken, DCHA recognizes that change is sometimes hard and DCHA will continue to be available to provide support and assistance in navigating this transition.

The initial Rent Stabilization exemption in the Rental Housing Act of 1985 for locally and federally funded units was created with the good intention of expanding the available rental market to voucher participants. This bill seeks to correct for the unintended consequences of this initial exemption by subjecting locally and federally funded units to rent stabilization. Under the new rent reasonableness process, DCHA will pay landlords market rent for their units as determined through a unit-by-unit analysis; the bill before you would permit DCHA to pay only the lesser of the rent stabilized rate and market rate which is consistent with the HUD HCV Program Guidebook.[1] DCHA agrees with the intent of the bill – to be good stewards of limited resources and to reduce Housing Assistance Payments in rent stabilized buildings, so that the District may serve additional customers. However, DCHA is concerned that this change will have implications for landlords and their willingness to rent to voucher participants; thus, potentially once again constricting access to housing for our participants.

DCHA is also concerned that the Bill unintentionally effects other DCHA programs such as HUD Project Based Voucher Assistance, and HUD Project Based Rental Assistance which are based on subsiding rent at the reasonable rent. The Bill as drafted will also impact traditional Public Housing units built prior to 1975 where as they are currently exempted from rent stabilization. We strongly urge that any Bill passed must not have an impact on these programs.

It is also important to note that in the absence of a publicly accessible rent stabilization database, which we understand is imminent, DCHA would be forced to rely on self-reporting from landlords, as today, we are unable to independently verify whether a unit is subject to rent stabilization.

In addition to the local resources available for people experiencing homelessness, DCHA is in the process of completing eligibility for and issuing vouchers to approximately 1,000 waiting list applicants. Putting aside participants who may wish or need to move over the next year, this is potentially thousands of new households searching for housing. While we know that District law prohibits source of income discrimination, in practice, it still exists – and we expect this law may further limit housing options for the people we serve.

Given the confluence of events on the horizon – DCHA's new rent reasonableness process, the release of a publicly accessible rent stabilization database and the increase in the number of voucher holders seeking housing – DCHA recommends the Council table this measure until after

[1] HUD HCV Program Guidebook Section 2.4.1

the database has been released and there has been ample time to review and assess the impact of these events. During the pause, DCHA looks forward to working with the Council to provide suggested language to incorporate into the Bill that alleviates DCHA's concerns as to the impact to the rental market, traditional public housing programs, and HUD Project Based Voucher programs.

Conclusion

In closing, DCHA looks forward to continuing to work with you as you mark up the bills before you today. Thank you for the opportunity to testify and I am happy to answer any questions you may have.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Public Hearing on

B25-0227, "RENT STABILIZATION PROTECTION AMENDMENT ACT OF 2023"

Written Testimony of Colleen Green and Lauren J. Pair

Director, Department of Housing and Community Development
Rent Administrator, Department of Housing and Community Development

Committee on Housing
Council of the District of Columbia
The Honorable Robert C. White, Jr., Chairperson

Virtual Meeting Platform
Washington, DC 20004
June 29, 2023 at 10:00 a.m.

Chairperson White and members and staff of the Committee on Housing, we are Colleen Green, Director of the Department of Housing and Community Development ("DHCD") and Lauren Pair, the Rent Administrator of DHCD's Rental Accommodations Division. We are pleased to submit our joint written testimony on behalf of the Bowser Administration on Bill 25-0227, the "Rent Stabilization Protection Amendment Act of 2023."

DHCD's mission is to create and preserve economic opportunities for low- and moderate-income residents and to revitalize underserved neighborhoods in the District of Columbia. Within that mission, DHCD is committed to advancing the purposes of the Housing Regulation Administration (HRA). One of the statutes that HRA administers is the Rental Housing Act of 1985, as amended (D.C. Official Code § 42-3501.01 *et seq.*) ("Act").

The Act regulates all rental housing in the District of Columbia. Among its provisions, the Act provides for exemptions from the Rent Stabilization Program (commonly called rent control) under Title II of the Act. The more common exemptions from rent stabilization are exemptions for newly constructed housing accommodations, small housing providers who own four or fewer rental units, and for rental units which are subsidized by the Federal Government or the District of Columbia Government.

Bill 25-0227 will amend the Act to require that the District of Columbia Housing Authority ("DCHA") comply either with a federal rent reasonableness standard or with the Act's rent stabilization laws when calculating the amount of rent paid by DCHA to a housing provider for a tenant utilizing a tenant-based housing voucher. Exemptions under the Act for federally- or District-subsidized rental units, however, encompass a breadth of affordable housing programs beyond DCHA's tenant-based voucher program. DHCD perceives that the proposed language of

Bill 25-0227 may erroneously link rent level requirements for all government-subsidized housing to the Rent Stabilization Program.

DHCD has concerns related to the bill and will offer some suggestions to clarify several of its provisions. Our view is that Bill 25-0227 unnecessarily convolutes the Act and imposes a significant impact on the rent control database development.

First, DHCD perceives that it is inappropriate to amend the Act given Bill 25-0227's legislative objective to restrict housing providers from charging beyond the federal guideline limit for subsidized units. Rather, it is germane to amend the DC Housing Authority Act of 1999, as amended (D.C. Official Code § 6-201 *et seq.*) by placing the restrictions in that statute. DHCD's reading of Bill 25-0227 is that it contains contradictory language. Section 205(1)(A) exempts all government-subsidized rental units from the Act. Section 205(1)(B), however, then provides that all subsidized rental units will be subject to either rent stabilization or the federal rent reasonableness standard. This language effectively imposes a new rent level restriction across all affordable programs, and not just limited to DCHA's voucher program. This unintended consequence does not correspond with Councilmember Frumin's legislative objective which is to regulate the rent paid to a housing provider under a tenant-based voucher.

As written, the bill could affect thousands of subsidized rental units exempt under the Act, including long-term affordable housing in DHCD's portfolio in which DCHA currently pays negotiated project-based rent contracts using "project-based" federal vouchers or Local Rent Supplement sponsor or project-based vouchers approved by the Council to cover major renovations and ongoing operating assistance. This would severely limit the District's ability to use this highly efficient tool that not only preserves properties and communities but also assures

affordable tenant payments and sustainable building operations for our lowest income households. DHCD's view is that the legislation should direct DCHA to follow its statute and not to reset the rent and exemption provisions of the Act. Therefore, DHCD recommends that Section 205(a)(1)(B) be moved to DCHA's statute or at the least, reworded to clearly specify this provision will apply only to tenant-based subsidies such as Housing Choice Vouchers.

Second, DHCD recommends that Section 205(a)(1)(B)(i) be revised to reflect the intent which seems to be to set the rent level at the time the subsidized unit is rented. The provision states that the subsidized unit's rent charged will fall under the Rent Stabilization Program, plus existing rent surcharges imposed by approved housing provider petitions, plus any "future" rent surcharges. The word "subsequent" is unclear. How should a future (i.e., non-existent) rent surcharge be determined and administered? DHCD suggests the provision state that the amount of rent to be paid to a housing provider by the tenant and DCHA shall be the lesser of (i) the rent charged according to the Rent Stabilization Program, or (ii) the rent reasonableness limit determined by DCHA.

Third, changing Section 205(a)(1) of the Rental Housing Act will require fundamental changes to DHCD's Rental Accommodation Division's business flows and work processes which will adversely impact the Public Accessible Rent Control Housing Database. The bill's provisions will require that the database developer rewrite code to include the new workflow and business process and will impose additional development costs. It is foreseeable that the change will likely affect implementation of the database. Instead, directing DCHA in the DC Housing Authority Act to use the rent levels under the current provisions in the Act, would obviate the need for programming changes to the rent control database without impacts on either DHCD's or DCHA's operations.

Fourth, DHCD proposes the following technical changes: 1) the bill refers to "the Authority" without giving a definition and the term is not defined in the Act; 2) reference(s) to "unit" should be replaced with "rental unit" which is a defined term under the Act; and 3) the reference to "housing unit" (first line of subsection (B)) is not a defined term under the Act. It appears the term should be replaced with "rental unit."

Finally, DHCD perceives that an unintended consequence of this bill may be that it will restrict or limit the ability of voucher holders to live in certain areas of the District. Ultimately, for projects that rely on housing vouchers when structuring their financing, this limit may force the Housing Production Trust Fund to provide more subsidy which will place a strain on the availability of gap financing available for affordable housing in the District. Therefore, DHCD recommends that Section 205(a)(1)(B) clearly specify that this provision will apply only to tenant-based subsidies such as Housing Choice Vouchers, in which a unit is selected in the private market in an otherwise rent-stabilized property by a tenant who then applies a voucher.

This concludes our written testimony on Bill 25-0227, the "Rent Stabilization Protection Amendment Act of 2023". I appreciate the opportunity to submit testimony and welcome any questions.

Government of the District of Columbia

Office of the Tenant Advocate

Testimony of

Johanna Shreve
Chief Tenant Advocate

Public Hearing on:

Bill 25-227, the "Rent Stabilization Protection Amendment Act of 2023"

Committee on Housing
The Honorable Robert C. White, Jr., Chairperson
Council of the District of Columbia

on

Thursday, June 29th, 2023
10:00 a.m.

Via Virtual Platform

Introduction

As the District's Chief Tenant Advocate with the Office of the Tenant Advocate, I am pleased to submit for the record this testimony regarding Bill 25-227, the "Rent Stabilization Protection Amendment Act of 2023." I thank Councilmember Frumin for introducing this measure and for consulting with the OTA during the drafting process. I thank you, Chairperson White, for holding an illuminating hearing on this bill on June 29th – which we followed closely and with great interest.

I strongly support this legislation due to a number of serious concerns with the current D.C. Housing Authority (DCHA) payment model. These concerns include: (1) the creation of a profit incentive for landlords to rent to a certain category of applicants (voucher tenants) at the expense of another (non-voucher tenants); (2) possible source of income discrimination in violation of the D.C. Human Rights Act; (3) the systematic overpayment of subsidies to landlords that defy the very notion of "reasonable rent" for rent-controlled units; and (4) even a possible incentive for landlords to allow rent-controlled properties to deteriorate in order to boost profit by boosting the availability of units for a preferred category of applicants.

These concerns were thoroughly described at the June 29th hearing. Thus, instead of retreading the same ground, my testimony will summarize some amendatory recommendations and the rationale for them; and put on the table other concerns that I believe warrant further consideration and collaboration.

What the bill does

Bill 25-227 would address problems associated with overpayments to owners of rent controlled buildings for units that become exempt from rent control when rented to subsidized tenants. Specifically, the measure would limit DCHA rent payments to housing providers so as to ensure that the rent for a unit subject to the subsidy exemption[1] could not exceed the *lesser of* the amount otherwise permitted under **rent control,** or the **reasonable rent** (which is the amount that federal regulations require DCHA to calculate based on actual rents charged for comparable units in the area[2]). The OTA's specific amendatory recommendations are as follows.

[1] D.C. Official Code § 42–3502.05(a)(1).
[2] 24 CFR § 982.507.

Specific amendatory recommendations

Specify the relevant subsidy program

Issue #1: The language at lines 56-57 ("Provided, that if the lease for a housing unit that is subject to a federal or District subsidy…") may suggest that the new cap on DCHA rental payments applies to *any and all* subsidy programs in the District that could be applied to units ordinarily subject to rent control, rather than just to tenant-based voucher assistance under the Housing Choice Voucher Program and the Local Rent Supplement Program.

Recommendation #1: Clarify this provision by inserting at lines 56-57 the phrase "pursuant to DC Official Code § 6-228 ("Tenant-based assistance") or Title 14, Chapter 49, of the D.C. Municipal Regulations as that chapter pertains to tenant-based vouchers," following the phrase "Provided, that if the lease for a housing unit that is subject to a federal or District subsidy…". The OTA is making inquiries in an effort to ascertain any other relevant programs, including those that may be administered independently of DCHA by either the Department of Human Services or the Department of Behavioral Health.

Require housing provider report rent / rent increase amounts to RAD and DCHA

Issue #2a: At lines 70 to 73, the bill as introduced requires that the housing provider report to RAD the *initial rent charged* and *any rent increase* for any

relevant unit. As introduced, however, the bill is silent as to whether and how DCHA will receive notice of these critical rent control numbers, which could serve as a check on, if not the basis for, DCHA's determination of the applicable maximum rent allowed for the unit under the Rent Stabilization Program.

Contemporaneous notice to the two agencies could also help them avoid discrepancies that otherwise may arise during the exemption period. Accordingly, the housing provider should be required to apprise not only RAD, but also DCHA of these numbers.

Issue #2b: While the substance of the reporting requirement at lines 70-73 is appropriate and necessary (provided that DCHA is added along with RAD as a recipient), we believe the reference to subsection 205(g)(1) in the leading text for section 205(a)(1) is somewhat inapt. Section 205(g)(1) requires the housing provider to submit to RAD *a copy of its notice of rent increase to the tenant*. This is appropriate for *non-exempt units*, since in that context it is the housing provider that issues to the tenant the initial amount of rent and the amount of any rent increase. For relevant units that are subject to the subsidy exemption, however, it is not the housing provider, but rather DCHA that determines rent increases for the voucher tenant through the income certification and

recertification processes. Thus, no such housing provider notice of rent increase to the voucher tenant *per se* applies to exempt units.

Accordingly, we believe this provision ought to be fashioned into a new subsection 205(g)(3). This placement would serve two distinct purposes. First, it would maintain the continuity of RAD's enforcement authority over the relevant information -- before, during, and after a subsidy exemption. Second, it satisfies the need within section 205(g) for a new separate reporting requirement pertaining *uniquely* to the measure's carve-out from the subsidy exemption.

Recommendation #2a: At line 46, strike the phrase "subsection (g)(1)" and insert in its place the phrase "subsection (g)(3)".

Recommendation #2b: At line 70 -73, strike the phrase "the housing provider shall file with the Rent Administrator the amount of rent charged for the unit at the outset of the exemption and each subsequent rent adjustment for so long as the exemption applies pursuant to subsection (g)(1) of this section" and insert in its place the phrase, "the housing provider shall comply with the notice requirement at subsection (g)(3) of this section.".

Recommendation #2c: Add a new subsection 205(g)(3) to read as follows: "For any unit subject to an exemption pursuant to subsection (a)(1) of this section, the housing provider shall file with the Rent Administrator and DCHA the

amount of rent charged for the unit at the outset of the exemption and each subsequent rent adjustment for so long as the exemption applies.".

Triggering rent payment redeterminations based on the new rent control cap

Issue #3: Constitutionally, it is impermissible for legislation to impair contracts by retroactively "changing the rules" regarding past transactions; thus the legislature generally cannot nullify past payments between parties pursuant to contracts. Under existing regulatory regimes, however, it is generally Constitutionally permissible for legislation to impact *prospective* payments between parties pursuant to contracts.[3] The bill does so (prospectively) by establishing as the trigger for the applicability of the rent control cap the effective date of a lease or renewal lease following the effective date of the law.

The problem is that -- as we understand it -- many tenancies pursuant to Housing Assistance Payment (HAP) contracts become month-to-month tenancies after the initial lease term expires, and thus are not necessarily subject to a lease renewal. The measure's "new lease trigger" fails to capture these month-to-month tenancies, which is all the more problematic because month-to-month tenancies last indefinitely, indeed potentially for decades. Thus, the absence of a

[3] *See Sveen v. Melin*, 138 S.Ct. 1815, 1821-22 (2018) (holding that legislation can prospectively override a pre-existing contractual term to govern events or transactions that happen after the law takes effect).

trigger clause for month-to-month tenancies could seriously undermine the measure's purpose of right-sizing the District's rental payments for subsidized units ordinarily subject to rent control.

Recommendation #3: At line 56-57, after the lease "is entered into," add the phrase "or extended, including at the start of any month after the expiration of the initial lease term and the commencement of a month-to-month tenancy.".

Tracking the trigger dates for rent payment redeterminations

Issue #4: For units that are already subject to the subsidy exemption when the measure takes effect, we believe there's a need for DCHA to keep track of when any initial lease term or renewal lease term expires, or whether the unit is subject to a month-to-month tenancy. This is necessary so that DCHA can apply the measure's rent payment caps once both prongs become applicable to the rental payment amount.

Recommendation #4: For each unit already subject to the subsidy exemption when the law takes effect, the Committee should consider requiring DCHA to track: (1) the expiration date of any initial lease term or renewal lease term for any relevant unit; or (2) the date upon which any such lease term expired or expires, so as to indicate when the tenancy may roll over or has rolled over into a month-to-month tenancy. This will enable DCHA to timely implement the

measure's requirement to re-assess the rental payment pursuant to the newly applicable rent control cap, after the expiration of any initial lease term or any month during a month-to-month tenancy. Towards this end, we recommend that the Committee consider requiring any affected housing provider to report this same information to DCHA and RAD as a part of the new 205(g)(3).

Implementation reporting requirement

Issue #5: The bill does not provide for a periodic DCHA report to track and assess implementation challenges.

Recommendation #5: We recommend that the Committee consider giving DCHA the opportunity to provide the Council with a periodic report regarding the implementation of the measure. Such a report could help the Committee and the Council identify any implementation challenges and needed solutions. Information the Committee and the Council may be interested in include:

1. The number of normally rent-controlled units on whose behalf DCHA has been making rental payments pursuant to the tenant-based voucher assistance program;
2. The number of units regarding which payments exceeded the rent control amount prior to the applicability of the measure's rent control cap;

3. Number of cases where reasonable rent becomes the basis for the DCHA payment after the applicability of the measure's rent control cap (because it is lower than the rent control amount);
4. Major difficulties or obstacles that DCHA or voucher tenants confront in leasing up rent-controlled units due to a change in the amount of the rental payment. Examples may include (a) any alleged source of income discrimination; (b) any adverse impact on the amount of the tenant portion of the payment; and (c) any problems implementing the changed amount, including regarding month-to-month tenancies and the lease expiration "trigger" for applying the rent control cap.

Other issues the Committee may wish to consider

Should the "lower" of the two rent payment caps be fixed at the outset of the voucher tenancy, or should the "lower of" the two caps be reassessed throughout of the voucher tenancy?

The bill does not address whether DCHA should periodically reassess the rental payment based on any change as to which cap applies (reasonable rent or rent control) after the "lower" cap is initially applied. We recommend that the Committee consider requiring a periodic reassessment. We note that federal HCVP regulations state that (1) a public housing agency may re-determine rent

reasonableness at any time,[4] and (2) at all times during the voucher tenancy the rent must not exceed the reasonable rent.[5] Accordingly, we believe that under this same principle and authority, DCHA should ensure that the landlord continues to charge the government the lesser of the rent control cap and the reasonable rent amount through periodic reassessments. We further note that the measure at lines 62-65 explicitly permits landlords to secure higher rental payments through the rent control law's various housing provider petition processes, including hardship.

Implementation considerations

We have initiated dialogues with both DCHA and RAD, and have attempted to contact HUD, regarding implementation and other concerns. We recommend that the Committee consider the following matters:

1. Given HUD's funding and regulatory roles, we recommend checking with HUD as any possible conflicts or discrepancies they believe may arise if the bill is enacted. For example, HUD's July 2019 HAP contract (Form HUD-52641) specifies that the rent to owner may be no more than the reasonable rent. Implementation of the bill may require a revision to this

[4] 24 CFR § 982.507(a)(3).
[5] 24 CFR § 982.507(a)(4).

contract to refer to the applicability of the District's rent control cap where appropriate. Other revisions to the HAP contract or other relevant HUD material may be needed;

2. The possible need for DCHA to notify housing providers regarding the changes in the rules governing the District's rental payments for voucher tenancies;
3. How the agencies would address housing providers' misreporting the amount of rent or rent increases allowed under the rent stabilization program during the exemption period;
4. Other enforcement proposals including the possibility of a voucher tenant *qui tam* – or private attorney general -- action[6] to enforce the bill's rental payment caps (an idea which we note was raised at the June 29th hearing).
5. The Committee should bear in mind the concern that some landlords may not only no longer prefer voucher tenants, but may indeed have the opposite reaction, to the extent that rent control caps start lowering some rental payments under the measure. We believe that an owner's outright termination of a HAP contract with DCHA on this basis would constitute

[6] District law already acknowledges the *qui tam* action in the context of the D.C. False Claims Act. See DC Official Code § 2–381.03(b).

unlawful source of income discrimination under the D.C. Human Rights Act (D.C. Official Code § 2–1402.21(a)).

Nevertheless, constructive eviction is also a concern. Legal service providers report to the OTA that some landlords have allowed unit conditions to deteriorate in order to intentionally fail DCHA inspections and induce DCHA to terminate HAP contracts. The OTA shares this concern and recommends that it be taken into consideration as the legislation moves forward.

Responding to sister agency concerns

DCHA's Proposal to Delay Committee & Council consideration of this measure

In response to the HUD report's recommendations, our understanding is that DCHA is now standing up a revised system aimed at ensuring compliance with HUD rent reasonableness requirements (per recent emergency regulations). DCHA and several housing providers recommended at the hearing that the Council should wait and see how the new rent reasonableness policy is implemented before moving forward with this legislation.

We would suggest that rent reasonableness determinations, relative to Fair Market Rent (FMR), are not likely to have a bearing on the merits of the measure. Both reasonable rent amounts and FMR are likely to be higher in most instances

than the allowable rent control amount. Therefore, while the new rent reasonableness policy should help save taxpayer dollars by limiting DCHA rental payments based on the Payment Standard, it will not go as far as this legislation would go in terms of taxpayer savings. Thus, prompt enactment of Bill 25-227 would be an important step towards protecting District taxpayers against overpayments as cited in the HUD report, regardless of DCHA's implementation of the new rent reasonableness policy.

DCHA also recommends waiting for the availability of the Rent Control Housing Database before the Committee and the Council move forward with this legislation. We would suggest that information about rent levels via the database are no less fallible than the information received directly from housing providers pursuant to a reporting requirement to RAD and DCHA (see recommendation #2a above). The fact that rent levels residing in the database is not proof of their validity any more than rent levels housing providers currently report to tenants and RAD directly.

DHCD's recommendation against amending the Rental Housing Act

DHCD recommends in written testimony that this bill amend the DC Housing Authority Act of 1999 (D.C. Official Code § 6-201 *et seq.*) rather than the Rental Housing Act of 1985. We believe that amending the Rental Housing Act is

appropriate -- and indeed imperative. While the measure maintains the subsidy exemption from rent control for most purposes, it is important that RAD maintains its authority to enforce applicable reporting requirements and pursue any housing provider malfeasance or misrepresentation notwithstanding the exemption. DCHA is unlikely to have the bandwidth or expertise to assume this responsibility for the duration of the exemption. We would further note that some clarification or specificity may be warranted regarding RAD's enforcement role in the context of this measure's impact on exempt units.

Conclusion

I thank the Committee for considering the recommendations and issues raised above. My staff and I are available for any questions you may have. The OTA looks forward to continuing discussing this important measure with the Committee and with our sister agencies and others.

From: [redacted]
To: Committee on Housing
Subject: Re: Public Comment on B25-0227
Date: Thursday, July 13, 2023 6:31:55 PM

[redacted]

I live in a rent-controlled building and would like to share my experience. I know the building's annual operating cost and know it contains false claims. The Washington Post's article "DC Overpays Landlords Millions to House the City" describes what happened in our building. Both old and new tenants dislike the property management company because they don't address the few 'bad apples' in the building; even though we have security cameras and "daily monitoring". The trash situation is ridiculous; one of my friends is a voucher-holder and lived in an apartment complex that was primarily voucher-holders in Southeast and I never saw a trash problem, much less anything close to what we experience. We don't have a property manager on site (even though it's a line item in the operating budget), and they don't pay attention to the "daily monitoring", otherwise they would know that the trash company doesn't come 3x/week like they're supposed to. Or maybe they do pay attention to the daily monitoring and simply ignore the trash company's bad service, the bad apples who dump their trash right outside the door or the regular package theft that takes place. Other issues include the washing and drying machines that don't get fixed and the broken front door lock and glass. It is up to the tenants to make the property management company aware of issues. And even then, it's impossible to talk to a human because no one answers the phone and the voicemail box is full. If you request maintenance through the online portal, it's next to impossible that an issue will be taken care of in a timely manner. Their communication is so poor that I've stopped requesting maintenance because it's not worth the hassle and frustration. We don't have a go-to Property Manager, staff don't provide their phone numbers or email addresses, emails go to a general inbox so you can't follow up with a specific person. We were supposed to get an intercom system (again, part of the operating budget) but never did, so delivery people are forced to leave items outside, where package theft is a larger problem.

Finally, I have witnessed the cannibalization of rent-controlled units. A young man moved into a one-bedroom unit with one of my neighbors, an elderly man, so he could have an affordable place to live. Months later, when the young man's wife and children came to the States, he wanted to get a separate apartment in our building for more space, but he also wanted to stay in the building to help the elderly man with daily living and serve as an interpreter since the elder wasn't fluent in English. However, the property management company would not give him an apartment (even though there were plenty of vacancies) and he was displaced because they wanted voucher/above market-rate rent rather than the rent-controlled rent. A second example is about my friend, who at age 38 hadn't yet found a life partner but desperately wanted to be a mother. She chose a sperm donor and months later, is now unexpectedly unemployed and unhoused. Legally, companies can't discriminate against

pregnant women, but we all know it happens all the time. There is a two-bedroom unit in my building that has been vacant for months. My friend is able to afford a rent-controlled unit with her veteran's disability, but can't afford the voucher/above market-rate rent of $2,872. She is due in 7 weeks and is now trying to find emergency housing through veteran services and Virginia Williams. As you may know, these options, even for emergency housing, can take months before she is actually housed. These two examples highlight the critical need to protect rent-controlled units.

These are all reasons why I support B25-0227 and would like to recommend that the bill include a retroactivity clause of three years.

[redacted]

Thank you!

[redacted]

Hello,

[redacted]

I live in a rent-controlled building and would like to share my experience. I know the building's annual operating cost and know it contains false claims. The Washington Post's article "DC Overpays Landlords Millions to House the City" describes what happened in our building. Both old and new tenants dislike the property management company because they don't address the few 'bad apples' in the building; even though we have security cameras and "daily monitoring". The trash situation is ridiculous; one of my friends is a voucher-holder and lived in an apartment complex that was primarily voucher-holders in Southeast and I never saw a trash problem, much less anything close to what we experience. We don't have a property manager on site (even though it's a line item in the operating budget), and they don't pay attention to the "daily monitoring", otherwise they would know that the trash company doesn't come 3x/week like they're supposed to. Or maybe they do pay attention to the daily monitoring and simply ignore the trash company's bad service, the bad apples who dump their trash right outside the door or the regular package theft that takes place. Other issues include the washing and drying machines that don't get fixed and the broken front door lock and glass. It is up to the tenants to make the property management company aware of issues. And even then, it's impossible to talk to a human because no one answers the phone and the voicemail box is full. If you request maintenance through the online portal, it's next to impossible that an issue will be taken care of in a timely manner. Their communication is so poor that I've stopped requesting maintenance because it's not worth the hassle and frustration. We don't have a go-to Property Manager, staff don't provide their phone numbers or email addresses, emails go to

a general inbox so you can't follow up with a specific person. We were supposed to get an intercom system (again, part of the operating budget) but never did, so delivery people are forced to leave items outside, where package theft is a larger problem.
I support B25-0227 and would like to recommend that the bill include a retroactivity clause of three years.
Thank you.

Dear Members of the Housing Committee,

I am writing in support of B25-0227, the "Rent Stabilization Protection Amendment Act." I am a tenant in a rent-controlled building and have been researching rent-controlled buildings in DC for the past two years. I have spoken to countless tenants in rent-controlled buildings, including voucher holders, and many rent-controlled buildings are being intentionally turned into voucher-only buildings.

Some of the sales marketing materials for rent-controlled buildings display this intent, including the following examples:

Offering memorandum for 1320 Nicholson St NW, which contains 24 units:

> "Further Rent Growth Potential: 1320 Nicholson Street NW is located in the 16th Street Heights Housing Choice Voucher Program neighborhood, earning some of the highest voucher rents in Washington, DC. **As units in the building turn over, they can be re-leased to voucher tenants, significantly increasing cash flow.** Executing this strategy would result in a 136% increase in the rents of one-bedroom units from their current average rent of $1,123 up to the "With Utilities" 16th Street Heights HCVP rate of $2,648. Studio units present even greater upside of 188% from their current average rent of $874 up to the "With Utilities" 16th Street Heights HCVP rate of $2,520."

Offering memorandum for 2839 Minnesota Avenue, SE, which contains 4 units:

> "However, the Housing Choice Voucher Program (HCVP) rate for a two-bedroom "without utilities" in the Hillcrest neighborhood is $1,564. This represents a 26%, 26%, 18%, and 12% difference between the in-place rents and the Hillcrest HCVP rate. **In other words, upon turnover of a $1,200 unit and leasing it up to an HCVP tenant, there is a $364 potential increase in rent."**

Offering memorandum for 3126 16th St NW, which contains 16 units:

> "3126 16th ST NW is a 20 unit, fully renovated apartment building just finished in April 2021. The full renovation was completed with condo quality finishes of the original 16 total units in the late Spring of 2020. The addition of 4 new cellar units were completed in Spring 2021 for a total of 20 units. **The building is 100% occupied by HCVP tenants."**

In addition, the rent control registrations filed with RAD present clear evidence that many rent-controlled buildings have already been converted to primarily housing voucher only buildings, including the following:

Address	**Total Units**	**Units Occupied by Voucher Holders**	**Vacant**
743 Fairmont Street, NW	42	37	4
5616 13th Street, NW	39	33	6
1101 Euclid Street, NW	34	23	
1363 Peabody Street, NW	30	25	5
61 Rhode Island Avenue, NE	23	20	3

5330 Colorado Avenue, NW	22	22	
3126 16th Street, NW	16	16	
1737 T Street, SE	12	12	
1821 T Street, NW	9	9	
714 Park Street, NW	6	5	

I've spoken to several tenants at 1101 Euclid, both voucher holders and non-voucher holders. The 11 remaining rent-control tenants have had an uphill battle to remain in their building. Both groups of tenants have had extreme difficulties in getting repairs, even as the owner reported an 100% return on investment. In fact, I've seen filings for several rent-control buildings that are housing primarily voucher holders which show a 100% return on investment.

While I appreciate that some landlords state that they have increased operating costs with voucher holders, the data showing that is missing. I spoke to one landlord whose RAD filings showed that the building contained both voucher holders and non-voucher holders and he said that was no difference in operating costs between tenant groups. In addition, a potential increase in operating costs may be because voucher holders are crammed into converted 3-bedroom apartments that formerly only housed one or two tenants.

And because these buildings only advertise the voucher rents for their units rather than the rent-controlled rents, they effectively shut out prospective tenants who need affordable housing but don't qualify for vouchers. Even though a tenant-specific subsidy disappears when the tenant moves out, many owners only advertise the voucher rents. Because the new rent reasonableness tool will primarily look at rental ads to establish rents, it will not be able to address the issues that this bill is meant to address.

Some of the complaints about voucher holders and the comments about returning to redlining are disturbing. There should be no stigma or penalty in not being able to afford rising rent prices. Many of the voucher holders that I've spoken to are mothers who are trying to take care of their families and they have every right to do that with dignity. There are disruptive tenants in any building and voucher holders do not deserve to be painted in such a negative light.

Voucher holders are already being subjected to redlined rent-controlled buildings and many that I spoke to were still living in deplorable housing conditions. Rather than abandon efforts to protect rent control in fear of redlining, the district should focus on stronger enforcement to prevent it and give voucher holders access to safe and sanitary units in all buildings.

For example, Bozzuto Management, who was accused of discriminating against voucher holders in 2020, settled the lawsuit and agreed to the following:

- charge tenants using income-based subsidies the same rents as those who pay their rent without a subsidy.
- Not consider credit score when a prospective tenant will use an income-based subsidy to pay rent.
- Not impose minimum income requirements on prospective tenants using an income-based subsidy to pay rent.

I've also spoken to many of the tenants that used to live in rent-controlled buildings before they were converted to voucher only buildings. These tenants were primarily elderly or immigrants, and although they may have gotten a payout to leave the building, many didn't realize that they had much choice in leaving and regretted losing a deeply affordable unit. Many of these tenants were told that their rents would be considerably higher if they wanted to stay after renovations, even though legally, they were entitled to return and pay the same rent.

As the bill is being considered, we continue to lose affordable housing. I spoke to a realtor about a building that is currently up for sale at 3513 13th Street NW, and he very confidently told me that the owner was using a hardship petition to get all the tenants out. The building at 2800 Connecticut Avenue NW is currently slicing up units and adding closet-sized bedrooms after almost completely emptying out the building. The buildings that I mentioned in my letter are just a few examples, but this bill is very necessary, or we will continue to lose rent-controlled units every day.

Thank you,

Suzie Amanuel

From: [redacted]
To: [redacted]
Subject: B25-0049 - Local Rent Supplement Eligibility
Date: Sunday, July 9, 2023 3:38:26 PM

Evelyn Brewster
[redacted]
Washington, DC 20008
July 9, 2023

To the Council of The District of Columbia,

Thank you for this opportunity to submit testimony to you on B25-0049 Local Rent Supplement Program Eligibility Amendment Act of 2023.

Though the intent of the Act is commendable, I am compelled to admit that it opens too many doors to misuse and abuse of the local rent supplement program. I am in full support of making the application process as honest and as easy as possible for both the tenants and the Housing Authority. However, as much as I have supported Chairman Mendelsohn in the past, I cannot offer my support of this Act in its current form.

Allowing applicants to self-certify eligibility is a roadmap for abuse, both unintentional and intentional. While there will be applicants who are honest and will do their best to provide accurate information, there also will be many others who will abuse the self-certification process.

The Housing Authority will have **no** authority if it is prohibited by law from investigating an applicant's background, including immigration status and criminal history, if necessary. And, once certified, the certification is permanent. Oversight is necessary in **all** cases to protect the valuable tax dollars and resources that are assigned to our housing programs, as well as to protect our citizens.

I have been a renter in the District of Columbia for almost 20 years and have seen first-hand as a tenant and as a tenant association president of how tenants abuse the certification process. Below are factual examples of what certification abuse *looks* like by tenants.

Income Property – Tenants apply for and receive local housing certifications and receive housing choice vouchers. They live in the apartments for two to three months before moving out (mostly to Maryland) and illegally sublease their apartments to multiple families and/or individuals. As many as three families are known to occupy a single one-bedroom apartment and as many as twenty men take shifts sleeping in and renting a one-bedroom or studio. The HCV recipients collect as much as $300/person for rent each month while having to pay nothing for housing because of the voucher. 100% Pure profit. The HCV recipient has become a landlord. When it is time to recertify, the official tenant shows up, does what is needed to recertify and then disappears for another year.

This is a widely known and practiced misuse of the HCV. In a former building of fifty-seven units, there were thirty-two units identified as being used by the HCV recipients as income

property. In neighboring buildings with greater occupancy, tenant association presidents identified significantly more units being used as income property by HCV recipients. Making self-certifications permanent will not only tie the hands of the Housing Authority, but also tie Landlords' hands in enforcing their own housing rules. This is especially true in buildings where utilities are included. Landlords expecting to rent to approximately 125 persons in a 57-unit building of one-bedroom apartments and studios end up paying utilities for well over four hundred individuals. Properties become run-down from overcrowding, elevators, and laundry equipment frequently break down from overuse, security becomes a problem and people become unmanageable because it is not known who the actual tenants are who live in the building. Self-paying tenants are left without support and an equal advantage. At the very least, having to provide annual, or more frequent if deemed necessary, certifications will help to make this type of abuse more difficult. Without required certifications, this type of abuse will only increase with no end in sight.

Undocumented Immigrants – In one of the properties where I was president of the association, on several occasions, an undocumented immigrant was the recipient of an HCV and eluding the police and ICE for sex crimes against minors. Another undocumented HCV recipient moved out of her apartment and turned it into a brothel to be rented by the hour. Sex trafficking presented a danger to all the tenants. We also endured an organized gang of undocumented men living in a studio apartment. These gang members extorted payments from both voucher recipients and private or self-paying tenants to enter their own building where they legally paid rent to live. When they were arrested, it was learned that they were fugitives from a Central American country. People, who did not live in the building, and without knowing the facts and how we had lived through their tyranny, tried to rally in support of them claiming that ICE performed an illegal raid, which of course was untrue.

Imagine you and or your children and grandchildren living in close proximity to people who have committed sex crimes and who may entice them into an unsafe apartment, and who intimidate and extort money from them. **If background checks must be done for private or self-paying tenants, then for equity, the same background checks and certifications should be extended to those undocumented persons seeking support.** The Act can stipulate that immigration status may not be held against the applicant. However, it is critical that the Housing Authority has the right to investigate immigration status so that those who may have committed crimes are not allowed into the housing program permanently.

Criminal History – There are tenants who are HCV recipients who are currently and have been incarcerated during the term of their vouchers. The inequity here is hugely unjust. While they are incarcerated, the HCV program continues to make direct deposit rent payments automatically to the Landlord. When the tenant is released from prison, they come back to their apartment home just as they left it. Persons have been known to be away for months and even years. Not so for a self-paying or private tenant. No automatic payments are being made on their behalf. There needs to be more oversight on eligibility to assure that these types of misuses of public housing funds are no longer able to be incurred. The Act can be amended to state that one's criminal history maynot be used against them, however, the Housing Authority should have that choice. Self-certification and the lack of background checks would only lead to greater abuse of this practice and continue to defraud much needed dollars from the housing program.

These are just a few examples of why B25-0049 needs amending. Eliminating homelessness is

important to me, as an individual, the Council and to leaders of nearly every American city. However, there are better ways to ensure ease of application to local rent subsidy programs without allowing broad self-certification and making it against the law for the Housing Authority to investigate and use the results of an investigation and/or background check when necessary. This Act requires modifications and amending before it becomes law.

I would be happy to volunteer or be paid to participate on a committee where better and more equitable solutions can be determined. Council members need the first-hand knowledge of people who live in these situations to help them create these laws. I am here. We are here. Use the citizens to bring the "real-world" view to legislation.

Thank you for the opportunity to submit my testimony.

Respectfully,

Evelyn Brewster, Citizen
"Today is a masterpiece of divine creation.
It is unique, priceless, and a once-in-a-lifetime experience.
Honor this day by using the1440 minutes in its 24 hours by living well and with intention."

From: [redacted]
Subject: Testimony - B25-0027 Rent Stabilization...
Date: Sunday, July 9, 2023 3:23:32 PM

Evelyn Brewster
President Pro-Tempore
3220 Parkway Tenants Association
Ward 3
July 9, 2023

To the District of Columbia City Council,

On behalf of both myself and the 3220 Parkway Tenants Association, I appreciate the opportunity to offer testimony in support of the B25-0027 "Rent Stabilization Protection Amendment Act of 2023" as introduced by Council Member Matthew Frumin.

The Housing Choice Voucher (HCV) program is important to help improve the lives of many citizens in the District of Columbia. Citizens who are homeless and residents who may require extra financial support to secure appropriate and adequate housing need the HCV program. Housing Vouchers were designed to enable its recipient to pay via the voucher the same rent as a private or self-paying tenant. Many of our Association members are HCV recipients who would not otherwise be able to live in The Parkway or enjoy the amenities of the property or the neighborhood, including parks and recreation, the Cleveland Park Library, and good public schools. One of our Association members, who is one of the best community partners one could hope for, says he was homeless for 18 years and living under the walkway of a church in Georgetown before the HCV program gave him the opportunity to live "inside." This is a stellar example of why the HCV program is needed.

However, the HCV program was improperly marketed to attract landlords, property owners, and management companies (Landlords) to join the program. The marketing and promotion emphasis on "guaranteed income," "direct deposit," and similar language and ease of participation lured in the greed in *some* landlords. Thus, the HCV program appealed to *some* landlords because this would also mean that fewer financial and human resources would be spent in rent collection, attorney fees, landlord tenant court filings, and all that goes into renting to private or self-paying tenants. Landlords saw a means of increasing their coffers while decreasing rent affordability to self-paying tenants and raking in the profits from the Housing Choice Voucher program.

It is unfortunate and practically criminal that *some* Landlords have misused and exploited the HCV program by ignoring "rent reasonableness" as mandated by Housing and Urban Development (HUD). Instead of equalizing the ability for the homeless and those with limited income to rent in the same places and at the same level as self-paying or private tenants, the tables have been turned on those renters who are diligently working and paying their own rent and have been for many decades. Some, not all, landlords charge higher than market rate rent on apartments that are commensurate with those with lower, market and slightly below market rents.

These landlords start by "renovating" vacant apartments which means months of demolition at

the expense of the current residents who are exposed to lead, construction dust and noise up to 12 hours a day and ongoing for every unit vacated. This means that demolition and construction is perpetual. Of course, the minimal upgrades are made by knocking out walls and making "open spaces" and improving plumbing, which should be done anyway, and putting in a few shiny new appliances. A large one-bedroom apartment is often divided to create two apartments -- a smaller one bedroom and a studio apartment (often without kitchens or appliances), thus, allowing Landlords to double the amount of rent charged for the same square footage. The same is true for 2- and 3-bedroom apartments – divide and overcharge. Renovation automatically allows the Landlords to increase rents by 30%. On top of this increase, with the HCV, Landlords can further increase rents beyond what is "rent reasonable." For example, an unrenovated one-bedroom apartment may be priced at $1500/month. With renovation, this same one bedroom is now priced at $1950. A tenant with an HCV might be charged as much as $2500/month for the same apartment. This pushes the rent up so that when RAD reviews and increases rents each year according to the CPI, these apartments are way out of line with what is considered HUD "rent reasonable."

These pricing gouges make it difficult for citizens who self-pay to be able to afford to live in the District because rental housing costs are literally off the charts. Residents without vouchers have few choices because of affordability, while HCV residents have many more choices of where they can live. This creates inequity and inadvertently punishes those citizens who have worked and paid taxes and been fortunate enough to live without outside financial support. Some Landlords have filled entire 50 unit plus apartment houses with HCV recipients and pushed out private or self-paying tenants by providing minimal maintenance support and improvements.

Additionally, and perhaps more importantly, these landlords have used the HCV program to get around the District's rent stabilization laws by creating "units" that are not rent controlled in buildings that have been deemed "Rent Controlled" by the District. This is an abuse of the law.

Passage of the Rent Stabilization Protection Amendment Act of 2023 would help ensure that affordable housing in the District of Columbia is available to <u>all</u> and restore "rent reasonableness" required under the rent stabilization laws, better oversee resources, and avoid incentives and rewards that are unintentionally eroding and corrupting rent stabilization.

Thank you for the opportunity to submit this testimony.

Respectfully Submitted,

Evelyn Brewster
The 3220 Parkway Tenants Association

"Today is a masterpiece of divine creation.
It is unique, priceless, and a once-in-a-lifetime experience.
Honor this day by using the1440 minutes in its 24 hours by living well and with intention."

Terry Brown
Concerned Landlord/Taxpaying Resident of Washington DC
Friday, June 30, 2023

Subject: Testimony Against the Rent Stabilization Protection Amendment Act of 2023

Thank you Council Members White and Frumin for conducting the hearing for affordable housing on June 29, 2023. I am writing to provide testimony against the Rent Stabilization Protection Amendment Act of 2023. As an active landlord and real estate broker for nearly 30 years in the District of Columbia I have a solid understanding of rent stabilization/control and the unintended destructive consequences of this amendment.

During the hearing there appeared to be a few good questions from the council members that did not appear to be answered effectively. I will attempt to provide the correct answers that demonstrate why this bill should not be signed as it currently exists.

One question that I believe Councilman White asked was from a quote of an individual's testimony "that buildings will be emptied?" Why would buildings be emptied; the answer is logical- There are hundreds if not thousands of cases, where upon purchase the new owner of the rental property became saddled with many years of the previous owner's neglect of not filing annual rent ceiling increases. For example- a building I purchased in 1995 had rent ceilings maxing at only $164.00/month. This was far below the 1995 market rental rate. After nearly 30 years of fairly consistent filing of annual rental increases the rent ceiling is now only $600-700/month for an 800 sqft (2) Bedroom apartment. It is obvious that $600-700/month for a (2) Bedroom apartment is substantially less than market rate anywhere and is not a sustainable rental payment for a property owner in 2023. If this bill should pass the maximum rent charged for a (2) Bedroom apartment in this building would in fact only be $700.00 per month for new tenants. This is the scenario that will occur for thousands of units if the Rent Stabilization Protection Amendment Act of 2023 passes.

To make up the difference between the artificial below market rent ceiling and market rent I decided many years ago to work with the DC Housing Authority (DCHA) to house low-income tenants. The DCHA exemption allowed for the payment of *true* market rent which makes this building sustainable. The building needing updates has been refinanced and the majority of the funds have been put back into the building. The building now has a mortgage of approximately $500,000.00. This is a 6-unit building. If every unit over time was reduced to the maximum rent stabilized ceiling of $700/month it would not cover the cost of debt service, utilities, maintenance, taxes, insurance, licensing fees, trash collection, inspection fees, management fees, reserves, etc. There will be many similar instances of this scenario across the city where it becomes impossible to remain solvent. To sum this up- it is illogical to roll back rents in many cases to the 1980's or 1990's in 2023 and expect Landlords to be able to sustain this roll back. Additionally, values would be rolled back to the 1980's or 1990's depending on the situation. This would result in substantial real property tax loss as well as taxable income loss. Moreover, the city would lose countless affordable housing units as I and many other owners would be forced to either sell to larger condominium developers or be foreclosed upon.

I believe Councilman White asked- "How are market rate tenants supposed to find units if Voucher holders can pay more than market rate?" In many instances voucher holders are not able to pay more than market rent. The notion that voucher holders can universally pay more than market rent is factually untrue. **It should be noted that HUD released federal register Vol. 88 no 120 Friday June 23, 2023. This volume clearly demonstrates that HUD is seeking a clear path for calculation of competitive Fair Market Rates (FMR's) with multiple indications of the need for higher Fair Market Rates. The Rent Stabilization Protection Amendment Act of 2023 creates an**

atmosphere that would be unique to DC that runs counterintuitive to Federal analysis. Please see https://www.huduser.gov/portal/datasets/fmr/fmr2024/notices-2023.pdf Someone needs to explain to DC property owners why there is even consideration to further artificially restrict DCHA FMR when the federal government is considering calculations that would increase FMR's. It is not factual that DCHA universally is paying higher than market rent and statements and Bills claiming such should be condemned as untrue and not supported.

To answer CM White's question of "How are market rate tenants supposed to find units if Voucher holders can pay more than market rate?" I can personally speak of the units that I own- where market rent is on par with the DCHA voucher rates for the subdivision. For the units with rent ceilings that are at market value both market rate and voucher tenants have an equal opportunity to rent. Everyone has a chance if the stabilized rent is at *actual* market value. Some rent ceilings however are substantially below market rent for the area. Please recognize that there are thousands of units in DC that have rent ceilings that are substantially *below* market rent. The only way these units and buildings remain open is via the DCHA exemption. If the exemption is removed and rents fall to current rent ceilings those thousands of units will no longer exist in a matter of years. As a practical business matter, it is *mandatory* to rent to DCHA voucher holders because the exemption allows for financial sustainability. For instance, I have a building that becomes insolvent immediately as there are currently (3) vacancies in this 4-unit building with rent ceilings substantially below market rent. If the Rent Stabilization Protection Amendment Act of 2023 passes- this building will be removed from rental inventory and converted to condominiums. Neither market rate tenants nor voucher holder tenants will have an opportunity at this property and many properties like it as these properties will all be financially unsustainable.

Councilman White asked for real life scenarios of rent ceilings that create hardship for solvency. I have those exact scenarios and am happy to demonstrate per the DC Rental Accommodation Forms and current building rent roll (I previously outlined this example in the 3rd and 4th paragraphs.).

Another question posed by one of the Council Members "Should there be an incentive to rent to voucher tenants?"
In my opinion yes! It is well known that DCHA is a dysfunctional program. The disfunction is at many levels and the disfunction results in excessive unnecessary cost, time lost and extreme frustration. Historically, the culture at DCHA has been predatory against Landlords, placing fault with owners even when housing condition issues or housekeeping issues are the clear result of tenant abuse, misuse, or neglect. The systems in place at DCHA are obsolete and are not consistently implemented. Often, emails and phone calls are never responded to. I have been requesting mediation for a tenant for almost two years now for example. I have gone up the chain to the director's level, wasted tons of time writing emails and waiting on hold to speak with someone. Some of the inspectors are incompetent, unprofessional, temperamental, impatient, and generally don't care about the Landlords. As such, inspection often results in units failing for unreasonable items that sometimes results in rental abatement. Market rate tenants do not present the multitudes of challenges and additional often unnecessary expenses that the DCHA program and some voucher tenants present. If requested, I am able to provide multiple examples of additional expenses that a Landlord may incur as a result of renting to a DCHA voucher tenant. So, yes, there actually should be incentives.

To summarize the Rent Stabilization Protection Amendment Act of 2023 creates legislation that:

- will substantially reduce the number of available housing units- failure of insolvent buildings
- will create sub-standard housing for the city's most vulnerable residents- lack of funds to support maintenance of buildings
- will roll back multi-family property values in some cases to the 1980's/1990's
- would create financial hardship on landlords and especially small landlords

- would nullify the benefit of years of investment in property improvements
- would negate decades of work with the horrors of DCHA and problem tenants
- will result in massive foreclosures
- will result in lost revenue for the city in both real property taxes (lower tax valuations) and income taxes
- shift the burden of a city-wide issue and DCHA management and budget issue onto the backs of Landlords
- tramples property owner's rights
- is anti-capitalistic and anti-business

Further, I too as other testifiers believe the spirit of this bill originated from several disgruntled occupants of multi-family dwellings and condominium owners in more affluent sections of town. They have complained about bad behavior of DCHA tenants in their buildings since DCHA increased the voucher amounts allowing voucher tenants more flexibility city wide. Testimony from a Foggy Bottom resident during the DCHA hearing claimed that DCHA was paying over market rent and over rent stabilized rental rates. He asserted that greedy landlords filled vacancies with voucher holders in their building by using the DCHA exemption resulting in additional income above the rent stabilized rate. As a result of accepting the higher rent paying DCHA tenants, the quality of life for the initial tenants has been negatively impacted by the new voucher tenant's residency. A crafted solution to their dilemma gains viability via this legislation abolishing the DCHA exemption thereby reducing the chance of a voucher tenant being selected as a tenant since there is no incentive/financial gain for the Landlord to do so. Rent Stabilization Protection Amendment Act of 2023 is a veiled attempt to support these more affluent neighborhoods eventual riddance of voucher tenants. To pass this amendment would have unintended catastrophic consequences for both low-income tenants and small and medium sized Landlords yet provide an improved living environment for the more affluent. I am able to expand on this further if needed.

I humbly submit this testimony for consideration. Please consider contacting me if there are questions or clarifications. I may be reached at [redacted]

Definitions(submitted by Terry Brown):

- Market rate rent- The monthly rental amount that a unit can garner on the open market
- Rent Ceiling- an artificial legislatively controlled rental maximum (it is not necessarily equal to market rent)
- Rent reasonableness (Fair Market Rent-FMR)- a presumed rental value determined by a government body based on market data for a neighborhood, zip code or city but does not account for property outlier specifications or amenities

Kind regards,

Terry Brown
5th Generation Washingtonian
DC Tax Payer

Dear DC Committee on Housing,

Thank you for allowing me to provide a response to the testimony, both written and oral regarding the meeting held on June 29 regarding the DCHRA.

I originally became interested in the DCHA / DCHRA issues when the rent stabilized building in which my son was leasing went under contract to a developer with the sole intention of converting the property into more, smaller units and leasing them all under the voucher program, which has a years-long waiting list, leaving these residents without a viable option to stay in their Glover Park neighborhood and home.

During this time, I read the article in The Washington Post, dated February 19, 2023 which detailed numerous examples of massive disparities between market rate and voucher payments for rent, often within the same building. I became keenly interested in the voucher program and began researching "Rent Reasonableness", knowing that a sturdy and ongoing program needed to be implemented.

At the June 29th meeting, I was surprised to learn from the final witness, Hammere Gebreyes, Interim Sr VP of the Housing Choice Voucher Program of the DC Housing Authority that they had already commissioned a company, AffordableHousing.com to perform this very task. Per her testimony, it will take several months for the product to be fully operational within the DC market. My cursory research into their data confirms that the source data is indeed inadequate to provide answers in the very near future. However, in my opinion as an expert in developing real estate databases, it's a start towards the goal of determining fair rents for both the tenants and the housing providers, ensuring that the DCHRA funds are appropriately distributed within the voucher program.

Additionally, the National Apartment Association, performs detailed research on markets and submarkets on apartment rent and occupancy levels along with numerous other public / private organizations.

I strongly believe that the DCHRA needs to pursue a rent reasonableness study and ongoing program. However, I do not believe that a new one needs to be created. I believe that DCHRA should work closely with the DCHA with this new program using a dedicated employee or consultant to work directly with them as well as with the aforementioned groups to ensure that the underlying data is correct and complete in order to provide accurate information.

By way of background, I have vast experience in real estate and databases, both development and utilization. My experience in real estate consists of appraisal, market data & statistics, writing and sales. My experience in technology consists of database development leading to the creation of a new real estate market information service delivered exclusively over the Internet. I built a consulting career specializing in creative solutions to unique problems by utilizing the accurate databases that my company developed in conjunction with public databases. Some of the larger clients were The Federal Bureau of Investigation, The City of Memphis Tennessee, Shelby County Tennessee and the Memphis and Shelby County Airport Authority.

Thank you for your time,

Garner Chandler, CRE ®, CCIM ®

Gathering Data, Creating Information ™

From: [redacted]
To: Committee on Facilities and Family Services
Cc: Committee on Housing; Palmer, Steven (Council); Nadeau, Brianne K. (Council)
Subject: B25-227, Rent Stabilization Protection Amendment Act of 2023, Written Testimony
Date: Tuesday, June 27, 2023 4:38:56 PM

Dear DC Committee on Housing,

Please accept my testimony **in support** of B25-227, the Rent Stabilization Protection Amendment Act of 2023.

Currently, I serve as President of a tenant's association for a property in Mount Pleasant, Ward 1. Our Tenant's Association was formed to exercise the rights outlined under DC's Tenant Opportunity to Purchase Act (TOPA). We were able to successfully organize, retain counsel, and negotiate a Development Agreement between our association and the prospective buyer.

Unfortunately, we were unable to buy our building and turn it into a cooperative due to the high asking price and extensive renovations needed. We're now faced with finding affordable housing in a decent building that affords peace, quiet, safety, and rules upheld.

With stories written in the news about mixing voucher tenants in buildings with non-voucher tenants, it's caused chaos and havoc. These buildings are no longer desirable and we have to compete with higher-paying voucher tenants.

Many of the voucher tenants live by different guidelines and some need serious mental health support. One of our maintenance men temporarily worked in another building owned by District Growth/American Housing on Newton Street NW and reported such chaos and disrespect for housing. He now no longer wants to work for the incoming owner. He reported people lining up at the entrance to get into the building to seek shelter in hallways. There were cigarette butts littered, drunkenness, empty bottles and cans strewn around, pet messes in apartments and hallways, loud noise at all hours, and a general disregard for rules or understanding of how to behave in a group.

In addition, another tenant who is a professional doorman experiences the same situation in the building on 4000 Massachusetts Ave NW. His colleagues in other buildings have similar experiences.

As a single woman, these are not safe buildings where I would want to live or pay rent. I shouldn't have to compete with voucher tenants who can afford more but bring down the general living conditions of a once desirable and safe place to live.

Don't get me wrong. I support affordable housing, voucher tenants, and people having housing. What I don't support is mixing them with non-voucher tenants. I support grouping voucher tenants together where they can interact with each other and have similar group dynamics and expectations.

I completely support the legislation to cap DCHA rents to 100% of the rates for rent-stabilized units. The current situation creates chaos and harms the interests of DC residents. Thank you for considering my views on this matter.

Regards,

Carol Earnest
President, Park Regent-DC Tenant Association

Testimony in Support of the Rent Stabilization Protection Act (B25-227)
Prepared for the Committee on Housing
Submitted July 13, 2023

Harry Gural, President, Van Ness South Tenants Association
Marilyn Lantz, Director, Brandywine Tenant Association
Bill Hawkins, President, Kenmore Residents Association
Karyl Cafiero, President, Kennedy-Warren Residents Association
Kim Farmer, co-owner, 4600 Connecticut Avenue condominium
Diane McWhorter, President, Sedgwick Gardens Tenant Association
Armande Gil, President, Parkwest Tenant Association
Ann DeLong, President, 4000 Mass Tenants Association

Chairman White, Councilmember Frumin, and members of the Committee on Housing:

On behalf of the members of leading tenant associations representing large apartment buildings in the District of Columbia, we wish to express our strong support for the Rent Stabilization Protection Act.

We extend our heartfelt thanks to Councilmember Matt Frumin for introducing this important legislation and for committing himself to the fight for affordable housing for all. He has shown that he understands the critical importance of rent stabilization, which helps make housing more affordable for tens of thousands of DC residents, particularly seniors and families, who likely could not live in the District of Columbia without it. We thank Councilmember Frumin for listening to his constituents, reaching out to his colleagues, and for taking a principled stand to protect rent stabilization by introducing this legislation.

We would like to thank Chairman White for holding a hearing on this legislation, and for leading the fight – against formidable opposition – for lower rent increases for residents of rent stabilized apartment buildings. We also thank other members of the DC Council for cosponsoring the Rent Stabilization Protection Act – Chairman Mendelson, Councilmember Bonds, Councilmember Nadeau, Councilmember Lewis George, Councilmember Pinto, Councilmember Henderson, Councilmember Parker, and Councilmember Allen.

The Rent Stabilization Protection Act would be an important first step toward addressing a serious problem – that housing voucher programs are undermining the city's rent stabilization law, making rental housing less affordable for other low-, moderate-, and middle-income DC residents. As Councilmember Frumin has argued, current policies lead to "cannibalizing" one form of affordable housing in favor of another.

The legislation would help prevent landlords from charging voucher recipients more for rent-stabilized units than they would charge other renters without housing vouchers. Many rent-

stabilized units are at market rates – i.e., the rent landlords can charge is not limited by statute but by only market conditions. However, the maximum rent on some rent-stabilized units may be lower than market rates on some apartments in which the previous tenant was over aged 62, had been a resident for many years, and in which the 10-20% "vacancy increase" under DC law was insufficient to increase the allowable rent to market rates. The proposed legislation would allow voucher recipients to rent all rent-stabilized units at the same rate as non-voucher recipients, saving money for both the voucher recipients and for taxpayers.

Our view is that the current draft of the legislation is a particularly good first step toward closing the gaping loophole which provides windfall profits to landlords, incentivizes them to "constructively evict" existing non-voucher recipients and encourages them not to lease to new non-voucher recipients. Modest amendments could further improve the bill, as long as industry interests are not allowed to water down the existing text or to further delay implementation.

Background: Overpayments incentivize landlords not to rent to non-voucher recipients

Housing voucher programs in the District of Columbia undermine rent stabilization by incentivizing landlords not to rent to non-voucher recipients. Landlords can receive much higher rents by leasing to voucher recipients for luxury prices, which the vast majority of DC residents cannot afford to match – up to $2,648 per month for a one-bedroom apartment in some areas ($2,520 for a studio, $3,113 for a two-bedroom, $4069 for a three-bedroom, and $5,008 for a four-bedroom).

The U.S. Department of Housing and Urban Development (HUD), in an audit of DCHA released last fall, found that when the housing authority considers helping a voucher recipient rent a unit, it *does not even check to find out if the rent is reasonable or fair*. Because DCHA does not compare prices, it pays luxury prices for "average" apartments, overpaying by $500 to $1,000 per month or more per unit. This systematic practice steers windfall profits of $6,000 to $10,000 per year or more to landlords who selectively rent to voucher recipients and who selectively avoid non-recipients.

These extremely high rents for units rented to voucher recipients also incentivize landlords to "constructively evict" long-time residents by refusing to provide adequate maintenance of the common area or apartments, reducing services, or neglecting security. The reality is that in many buildings, even with very high rents offered for housing subsidized tenants, the surplus profits are not reinvested in the buildings. Instead, the buildings are allowed to deteriorate, even at the risk of driving out long-time residents. Ironically, driving out residents without housing vouchers is in landlords' narrow self-interest.

A groundbreaking investigation by the *Washington Post* estimates that DCHA may be overpaying landlords by more than $1 million per month citywide. According to HUD, overpaying squanders taxpayer money, wastes money needed for low-income housing, and drives up market rents. HUD has requested that DCHA refund the total amount of overpayments, which could run to tens of millions of dollars, to the U.S. government out of non-federal funds. It is not yet clear whether HUD will adequately enforce its mandate. Neither is it clear how HUD

will handle current voucher policy – if the Rent Stabilization Protection Act does not become law – which enable overpayments by allowing landlords to pay more for rent-stabilized units rented to voucher recipients than rent-stabilized units rented to non-voucher recipients.

Some influential members of the rental housing industry have argued that they *must* be overpaid to be willing to house voucher recipients and may be interpreted as discriminatory. Such arguments are offensive, for they unfairly stereotype voucher recipients. In addition, as Councilmember Frumin and others have already pointed out, DC law already prohibits "source of income" (SOI) discrimination, so housing providers cannot legally refuse to rent to voucher recipients.

Rental housing companies are cashing in on the "HCVP Strategy"

Some rental housing providers and absentee landlords have built their business models around the excess profits made possible by current housing voucher policies. Commercial realtors promote the "HCVP (Housing Choice Voucher Program) Strategy." An exposé by *WAMU/DCist* was titled "The Next Hottest Rental Strategy? Market To Housing Choice Voucher Holders."

Other evidence available to the Committee finds some apartment buildings have been partially "converted" into quasi-public housing, with one-third to one-half of the units occupied by voucher recipients, crowding out DC residents without housing vouchers. While the theory behind housing vouchers is to deconcentrate poverty, the District's voucher programs highly *concentrate poverty* in selected apartment buildings and targeted neighborhoods across the city.

Investigations by the media have found that the abuse of housing voucher programs via the HCVP Strategy is harming low- and modest-income renters by forcing them out of their apartment homes. In addition, the investigations have found that absentee landlords are buying up condominium units and entire buildings to get the outsized profits possible by renting only to voucher recipients. This makes it more difficult for modest- and middle-income DC residents to purchase homes in the city, compounding the harm caused by the erosion of rent stabilization. In addition, existing condo owners have suffered financially from the neglect of absentee landlords who are profiteer from DCHA's extreme overpayments for units rented to voucher recipients.

Representatives of our tenant associations have been told in public meetings by the Office of Planning that the mayor's goals for affordable housing in certain areas will be achieved through conversion of existing buildings to permanent affordable housing units. Since the majority of apartment buildings in some areas are rent-stabilized, any conversion plans should be evaluated with the knowledge that the availability of rent-stabilized units could be decreased.

Overall, the city's housing voucher programs are turning "affordable housing" into a big business. They are doing a poor job of helping those it is intended to serve, while harming others who also need housing that is affordable.

The abuse of housing vouchers poses a serious threat to rent stabilization

The lucrative HCVP Strategy is a serious threat to *rent stabilization*, the most important DC law for slowing rent increases citywide. The DC rent-stabilization statute is not "rent control" as it exists in a handful of other jurisdictions; the DC Council abolished rent ceilings in 2006. DC's rent stabilization law does not hold rents to fixed, extremely low levels. Instead, it limits annual rent increases in apartment buildings constructed before 1975 to the rate of inflation plus 2% (or just inflation for renters aged 62 or older). The DC law does not freeze rents – as some opponents and industry representatives have implied; it slows their growth to an annual increase which somewhat exceeds inflation.

Rent stabilization protects DC residents from sudden, large rent increases. It protects them from price gouging. It helps slow gentrification. It makes rental housing more affordable in DC than it would be without it. More than 70,000 DC residents rely on its protection. (The exact number is uncertain due to the city's failure to accurately maintain a list of properties.)

For these reasons, the rental housing industry, including those who testified on June 29th before the Committee, strongly oppose rent stabilization and they have worked to undermine it. The industry uses housing vouchers to reap profits that greatly exceed those that can be earned in rent stabilized buildings. Moreover, it has used housing vouchers to remove apartments from rent stabilization *permanently.*

The District's implementation of housing voucher programs is designed more to enrich the rental housing industry than to help low-income Washingtonians. If the purpose of the rent subsidy programs really were to help low-income residents afford adequate housing, DCHA wouldn't waste millions of dollars per month on overpayments to landlords; instead, it would pay the same rents paid by non-voucher recipients, saving money and serving many more of the tens of thousands of DC residents who for years have waited to receive a housing voucher.

As a result, the housing vouchers programs harm low-income DC residents who need housing assistance, but who cannot get it because funding is wasted on windfall profits for the rental housing industry. At the same time, the voucher programs harm low-, modest- and middle-income DC residents who pay their rent without a taxpayer subsidy and who depend on the protections of DC's rent stabilization law.

We wholeheartedly agree with Councilmember Frumin's statement that "we cannot sacrifice one form of affordable housing in favor of another." His Rent Stabilization Protection Act would reduce the extent to which housing voucher programs, which are designed to benefit the industry, make rental housing less affordable for DC residents.

Arguments by industry opposing the bill are misleading

At the Housing Committee hearing on June 29th, most representatives of the rental housing industry opposed to the Rent Stabilization Protect Act, making misleading claims about the voucher programs and rent stabilization, as well as maligning the character of proponents of the legislation.

In addition, many industry representatives also vocally opposed rent stabilization, revealing that they oppose the purpose of the Rent Stabilization Protection Act. One industry representative stated bluntly that "the problem is rent control." This opposition is not surprising because the goal of the law is intended to make housing more affordable to DC residents, while the goal of the industry is to drive rents higher and make housing less affordable.

Industry representatives almost universally mischaracterize the nature of "rent stabilization" in Washington D.C., which differs dramatically from "rent control." They mislead councilmembers by claiming that DC law freezes rents at absurdly low levels; instead, it merely slows the pace of rent increases, limiting them to inflation plus 2% for most renters.

In addition, in the June 29th hearing:

1) Some industry representatives claimed that landlords are not reaping above-market rents from voucher recipients. This is clearly untrue, as demonstrated by the investigations by *The Washington Post* and *WAMU/DCist*, along with evidence of leases for apartments rented to voucher recipients with rents listed that are exactly the maximum rent for given neighborhoods, even for tiny, below-average apartments. The *Post* found that DCHA's overpays by more than $1 million per month citywide; we can show that this is a very conservative estimate. The HUD audit states that DCHA does not even attempt to check whether rents charged by landlords are comparable for those charged to non-voucher recipients.

2) Some industry witnesses claimed that they are *underpaid* because DCHA has not raised its maximum rents for several years. However, this is false because DCHA's maximum rents – up to $2,648 per month for a one-bedroom – far exceed market rates for average apartments, even in wealthy neighborhoods. The fact that DCHA hasn't further increased maximum rents simply means that landlords are being overpaid by less (on an inflation-adjusted basis) than they were overpaid a few years ago.

3) Some industry representatives claim that small landlords will go bankrupt as a result of proposed changes in "rent reasonableness" rules and specifically as a result of the Rent Stabilization Protection Act. This is untrue regarding those landlords who have not gamed the system by charging voucher recipients and taxpayers far more than market rates. However, this claim may be true for those landlords who fraudulently misrepresented the market rents on their apartments on signed Housing Assistance Payment contracts. Also, as one industry representative noted, some landlords who obtained loans on inflated profits from housing vouchers may be liable for prosecution for mortgage fraud or prosecution under the False Claims Act.

4) Some industry witnesses claim that the Rent Stabilization Protection Act will force landlords to reduce rents to extreme low levels because those landlords have not reported to the city actual rents under the rent stabilization program for years. If so, those landlords are out of compliance with DC law, which requires such reporting on an annual basis. Also, it is not clear that the "reasonable" rents could not be calculated on the basis of comparison with rents in buildings whose owners complied with DC law.

5) Some industry representatives claim that "rent reasonableness" calculations should omit comparison with rent-stabilized units, which they claim are massively below market. However, HUD regulations, as well the Rent Stabilization Protection Act, actively intend that voucher recipients pay no more than rents that could be obtained without a housing voucher – i.e., that DCHA or city agencies effectively "shop around" for fair rents – including consideration of rent-stabilized units. Omitting rent-stabilized units from rent reasonableness calculations with artificially inflate estimates of comparable rents, ensuring overpayments to landlords.

6) Industry representatives and DCHA have testified that the Rent Stabilization Protection Act should be tabled until after we see the effect of DCHA's new system for estimating "rent reasonableness." For example, since DCHA's severe overpayments were discovered more than a year ago, it first denied that is was overpaying and then stalled revision of its policies, wasting tens of millions of dollars. The Rent Stabilization Protection Act is needed to prevent ongoing abuses – the legislation should be passed expeditiously.

7) Industry representatives accuse critics of abuses of the voucher programs of being NIMBYists who are "pulling up the drawbridge" on low-income DC residents. In fact, we and others in our neighborhood strongly support the proper use of housing vouchers to help low-income residents afford adequate housing.

Careful amendment could improve the legislation

It appears that the Rent Stabilization Protection Act will not end *upon enactment* the practice of paying more for apartments than the maximum rent-stabilized amount. This will incentivize landlords to accelerate efforts to rent apartments selectively to voucher recipients who – thanks to taxpayers – can pay more than those who don't have housing vouchers. This issue demands study, and if possible, it should be remedied so the harmful practices targeted by the legislation can be ended more expeditiously.

Second, it appears that the legislation will not end overpayments on the anniversary of the signing of a lease. Instead, the overpayments will not end until the existing tenant with a housing voucher vacates the unit.

These shortcomings could be remedied with modest amendments to the legislation. We urge Committee Members to consider such action, while resisting likely pressure from industry forces that will seek to weaken the legislation.

Other legislation is needed to blunt the attack on rent stabilization

Even after passage of the Rent Stabilization Protection Act, substantially more work must be done to protect rent stabilization. Already, DCHA has designed methods for continuing to severely overpay the rental housing industry for apartments rented to voucher recipients, announcing that it plans to "hold harmless all existing rents," in other words, grandfathering existing overpayments instead of clawing them back. If *The Washington Post* is correct, this

means the DCHA is willing to forget tens of millions of dollars of overcharges, cheating District and U.S. taxpayers while squandering funds needed for low-income housing.

Moreover, DCHA has said that it plans to *continue to overpay* those landlords who are severely overcharging for apartments rented to voucher recipients, wasting tens of millions of dollars in taxpayer money that is needed for affordable housing.

Finally, DC regulations regarding housing vouchers have been rewritten in recent months, with substantial ramifications for the housing voucher programs and for affordable housing more generally. Included in the fine print is language that will allow DCHA to overestimate the market prices on comparable apartments by ignoring older, rent stabilized units from comparisons. This would provide additional windfall profits for the rental housing industry, while further squandering taxpayer money, and further wasting funds needed for affordable housing.

If DCHA is allowed to proceed with its plans – without further intervention by the DC Council, it will deliberately undermine much of the good that the current legislation is intended to accomplish.

Conclusion

We request your strong support for the Rent Stabilization Protection Act, which with modest amendment to prevent circumvention, could be an important step toward making housing more affordable for residents of Washington, D.C. At the same time, we ask Councilmembers to resist attempts by DCHA and the industry to add amendments designed to weaken the legislation, or to delay implementation.

True Reformer Building
1200 U Street NW, Washington, DC 20009
(202) 328-5500 | www.legalclinic.org
Amber W. Harding, Executive Director

The Washington LEGAL CLINIC for the Homeless
A Voice for Housing and Justice

D.C. Council Committee on Housing- *LRSP Eligibility Amendment Act* and *Rent Stabilization Protection Amendment Act* Hearing- June 29, 2023

Testimony of Brittany K. Ruffin, Director of Policy and Advocacy, and Charisse Lue, Staff Attorney, The Washington Legal Clinic for the Homeless

Good morning, Councilmembers. Since 1987 the Legal Clinic has worked towards a just and inclusive community for all residents of the District of Columbia--where housing is a human right and where every individual and family have equal access to the resources that they need to thrive.

This testimony will detail our support for, both, the *Rent Stabilization Protection Amendment Act of 2023* and the *LRSP Eligibility Amendment Act.*

Rent Stabilization Protection Amendment Act of 2023

`The Washington Legal Clinic for the Homeless is pleased to see the introduction of the *Rent Stabilization Protection Amendment Act of 2023*. This legislation moves D.C. a step forward in addressing its affordability crisis and increasing access to safe and affordable housing by closing a harmful loophole that exempts units subsidized by the government from rent stabilization laws. The legislation also attempts to address current DCHA failures by utilizing Council oversight authority to direct the D.C. Housing Authority (DCHA) to abide by existing U.S. Department of Housing and Urban Development's (HUD) rules and regulations concerning rent reasonableness assessments for every tenant-based voucher lease.

Rent Reasonableness requires that all public housing authorities (PHA) determine whether the rental cost requested by the landlord for an assisted unit is reasonable in comparison to comparable unassisted units. It ensures that a landlord cannot charge more for a voucher-based unit than it would for a comparable unassisted unit and that a public housing authority is not paying more for an assisted unit. HUD requires housing authorities to conduct this assessment on all assisted units. The PHA must consider in its assessment the unit size, amenities, location, and quality, among other factors. Rent reasonableness must be calculated and the determination must be documented within residents' files before the execution of the Housing Assistance Payment (HAP) contract. Landlords are also obligated to comply with this HUD regulation, clearly indicated within HAP contracts.

Unfortunately, rent reasonableness determinations have not been happening at DCHA. In March 2022, HUD issued its "Housing Authority Assessment" that detailed DCHA's failure to comply with HUD

regulation *24 CFR § 982.50* and DCHA's own Moving To Work (MTW) plan by not conducting local rent reasonableness assessments for voucher-assisted leases. This finding, among other deficiencies, came as no surprise to tenant associations, advocates, and DCHA residents who, for years, attempted to raise the issue and push the agency to comply with the federal rules and regulations regarding rent reasonableness analysis.

This legislation memorializes DCHA's obligation to comply with rent reasonableness regulations and removes the rent stabilization law exemption for government assisted units. Both provisions are crucial to fulfilling D.C.'s goal of increasing housing choices, opportunities, and affordability for D.C. residents. Rent Reasonableness assessments and closing the loophole that exempts government subsidized units from rent stabilization laws will increase the number of available vouchers, promote housing stability, increase equity, and eliminate artificial costs to the District of Columbia and its residents.

As a result of overpayment, fewer individuals and families gain access to safe and affordable housing, and D.C. moves further from its goal of increasing housing access for thousands of D.C. residents in need of housing assistance. Conversely, failing to make appropriate rent reasonableness determinations also disadvantages landlords and tenants when rent assessments may indicate that a higher rent is appropriate in a particular unit/building.

DCHA's overpayments and its failure to adequately monitor rents and apply rent reasonableness for voucher-based tenants incentivize landlords to focus on maximizing profits by unlawfully overcharging DCHA. Of course, the rent stabilization law exemption for government assisted units further encourages a landlord profit focus and has a diminishing effect on housing affordability, circumventing key rent stabilization housing protections for thousands of current and future D.C. residents. Additionally, allowing exorbitant rents without an assessment as to the unit or building condition encourages landlords to disregard their obligation to provide safe and habitable living conditions. Poor agency monitoring and policy perpetuate poor landlord behavior. It is unfortunate that D.C. Council has to enshrine DCHA's agency obligations within legislation to ensure DCHA's compliance with the law. However, we continue to support this Committee in utilizing its agency oversight authority to protect vulnerable and marginalized D.C. residents.

D.C.'s existing exemption of federally and D.C. government assisted units from rent stabilization inclusion only serves to frustrate existing efforts to maintain D.C. affordability via rent stabilization. *Section 42–3502.05* of the D.C. Code exempts "any rental unit in any federally or District-owned housing accommodation or in any housing accommodation with respect to which the mortgage or rent is federally or District-subsidized" with few exceptions. Seemingly, the policy is an incentive to encourage landlords to "participate" in government subsidy programs. However, the theory behind that incentive contradicts current D.C. law under the D.C. Human Rights Act and the Eviction Record Sealing and Fairness in Renting Amendment Act. Source of income discrimination is unlawful. All landlords must comply with D.C. law by ensuring that they are not conducting screening practices in a way that discriminates against potential tenants. A landlord incentive that increases the rental payment for a unit solely because of the use of government assistance frustrates the principle of "source of income" as a protected status and perpetuates a perception that renting to government subsidy recipients is an option instead of an obligation. Landlords should not need an incentive to follow the law. Additionally, the removal of the exemption through this legislation indicates an intention to ensure that D.C. is a better steward of federal and local funds that support housing resources in the future. The removal of the exemption under this legislation is long overdue.

Ultimately, failing to apply rent reasonableness measures in accordance with federal and local regulations and continuing to exempt government subsidized units from rent stabilization laws only exacerbates D.C.'s affordable housing crisis. Allowing overpayments and inflated rental values for voucher-based tenancies causes an overall increase in the rental market value which has the obvious consequence of decreasing rent stabilized units and making the rental housing market more expensive for D.C. residents, overall.

D.C. is in desperate need of deeply affordable housing options. D.C. also maintains the most dramatic wealth gap in the nation, with the top twenty percent (20%) of residents having an income twenty-nine (29) times higher than the lowest twenty percent (20%). The racial-economic disparities are even more grim. Brookings Institute data from 2019 indicated that Black D.C. residents had an annual median income of $29,297, Latinx D.C. residents had a median income of $41,151, and White D.C. residents had a median income of $92,758. Unsurprisingly, Black residents are also the overwhelming majority of those experiencing homelessness in D.C. Enforcing rent reasonableness assessments and closing the loophole that allows the disregard of rent stabilization laws helps to bridge systemic inequities and minimize these statistical reflections of racist economic and housing policies by expanding housing opportunities and maintaining existing housing affordability.

LRSP Eligibility Amendment Act

A slight "silver lining" of the devastating global pandemic that claimed millions of lives and forced people to isolate inside of their homes was the urgent focus and attention to the fact that, unfortunately, having a safe (or any) place to live is not a reality for millions of people nationwide and thousands of people in D.C.

In the FY 2022 budget, D.C. Council took a monumental step towards ending homelessness for thousands of D.C. residents by making an historic investment in locally funded tenant-based vouchers. Over 3,400 vouchers were funded to be matched to 3,400 *households* of families—individuals and those with children--that would have the opportunity to end the trauma of homelessness. Even before the significant investment, the voucher administrative process coordinated by DCHA and DHS was burdened by delay and denials, resulting in an unnecessary multi-month process to house vulnerable residents. Aware of the existing administrative roadblocks to housing, delays in the voucher utilization process, and the crucial need for housing, D.C. Council was intent on ensuring that major barriers were removed and put forth requirements in the Budget Support Act to shorten the process.

In the Budget Support Act, D.C. Council required that DCHA promulgate emergency and final rulemaking to self-certify eligibility factors and amended D.C. Code to make sure that, in those rules, DCHA also does not exclude households due to immigration status, prior criminal convictions, or pending criminal matters. Unfortunately, DCHA's initial rules did not reflect the spirit or letter of the law put forth by D.C. Council. After a lot of resistance from DCHA and much advocacy by community members, service providers, and legal service providers, D.C. Council then had to take the step to put forth emergency and temporary legislation to ensure that thousands of D.C. residents were able to access the housing that had been funded for them. While there are still some processing concerns with voucher utilization, there is no question that many more residents have achieved access to housing because the aforementioned unnecessary and discriminatory barriers have been removed. We implore the D.C. Council to move forward with permanent legislation to guarantee D.C. residents fair access to receiving the locally funded housing resources that they so desperately need.

The Washington Legal Clinic for the Homeless appreciates that, through the much-needed *Rent Stabilization Protection Amendment Act of 2023* and the *LRSP Eligibility Amendment Act*, D.C. Council is listening to the concerns of DCHA residents, community members, advocates, and HUD. We look forward to collaborating with the Council on these and future measures to further expand access to affordable housing while increasing *and* safeguarding precious housing resources.

[redacted] [redacted]Housing
Cc: Palmer, Steven (Council); Nadeau, Brianne K. (Council)
Subject: B25-227, Rent Stabilization Protection Amendment Act of 2023, Written Testimony
Date: Tuesday, June 27, 2023 1:52:35 PM

To the DC Committee on Housing,

Please accept my testimony in support of B25-227, the Rent Stabilization Protection Amendment Act of 2023.

I am currently serving as the Vice-President of a tenant's association for a property in Mount Pleasant, Ward 1. Our Tenant's Association was formed to exercise the rights outlined under DC's Tenant Opportunity to Purchase Act (TOPA). We were able to successfully organize, retain counsel, and negotiate a Development Agreement between our association and the prospective buyer.

The intersection of our interests as an Association, and as individual tenants, and the DCHA's voucher program revolves around the very high allowable rates the DCHA has been and is continuing to pay for rent-stabilized units such as ours. Because the prospective buyer of our building (which contains over 90 residential units) relied on the ability to charge DCHA-subsidized rents at well-above rent-stabilized rates, he made an offer to the seller of the building more than 4 million dollars above its assessed value of $15.5 million. The fact that his offer was so high created for us three problems. One, is that TOPA envisions a scenario where the tenants themselves may purchase their building when it is up for sale, provided they can match the material terms of the sales contract. Because of the artificially high sales price agreed to between the seller and the prospective buyer, we quickly realized that such a purchase on our own behalf -- if we wished, for example, to purchase and organize the building as a co-op -- was completely out of our financial reach. Thus, the DCHA's higher rents worked to practically undermine the rights TOPA theoretically created for us.

The second problem created for us by DCHA's higher rents, and our buyer's inflated purchase offer, was that it excluded other qualified buyers from the purchasing process. Whether TOPA really intended it or not, in practice, the process has worked in the favor of tenants' by allowing Tenants' Associations such as ours to auction our purchase rights to other interested potential buyers, and then selecting which buyer we preferred, or who offered us and our membership the best terms. While we had several possibly interested buyers, none could match the price offered by the contracted buyer, and so in the end, what was meant to be a competitive process, in which our membership could select the best possible terms for themselves in exchange for their purchase rights, became a process of rubber-stamping the terms offered to us by the original buyer. The above-market rates offered by the DCHA thus undermined our leverage as tenants in the sales process.

The third and final problem created by DCHA's above-market rents is that now, our membership is in financial and residential limbo: the terms of our development agreement with the contracted buyer of our building, which we signed in August of 2022, specified a closing date of around January 2023. This closing date was then moved to March, then to April, next to June, and now we have no set closing date at all. The reason is because no responsible lender is willing to actually finance the sum agreed to between the prospective buyer of our building and the current owner, because the sum is irresponsibly high. I understand that market conditions have changed in the past year, and that interest rates have

gone up sharply, but still, I think that had a reasonable sales price been agreed to -- one not padded by unreasonable expectations of DCHA subsidized above-market rents -- our prospective buyer, or *another potential buyer*, would have been able to secure the financing to close the contracted sale. The result of all of this is that there are now dozens of residents of our building living in limbo: some waiting for an announcement that the deal will now finally close, others having moved out in anticipation of it having closed, and meanwhile, a general decline in the standard of living within the building: the current owner is less interested in investing any further resources in its maintenance, while the prospective buyer has yet to take possession.

For all the reasons stated above, I completely support the legislation to cap DCHA rents to 100% of the rates for rent-stabilized units. The current situation creates chaos and harms the interests of DC residents. Thank you for considering my views on this matter.

Best Regards,

Jacob Konick
Cleveland Park
Washington, DC

www.legalaiddc.org
1331 H Street, NW
Suite 350
Washington, DC 20005
(202) 628-1161

Testimony of Samantha Koshgarian
Supervising Attorney, Housing Unit
Legal Aid of the District of Columbia

Before the Committee on Housing
Council of the District of Columbia

Public Hearing Regarding:

Bill 25-0227,
"Rent Stabilization Protection Amendment Act of 2023"

June 29, 2023

Legal Aid of the District of Columbia[1] submits this testimony in support of B25-0227, the Rent Stabilization Protection Amendment Act of 2023.

This Committee considers this legislation against the backdrop of a longstanding and ever-worsening affordability crisis for District renters, which for many families leads to housing instability, eviction, and ultimately displacement from the District. Residents just saw the largest increase in rent for rent-stabilized units in the history of DC's rent-control program. We appreciate the Council's recent actions to protect renters by subsequently limiting this historic and extraordinary increase by enacting the Rent Stabilized Housing Inflation Protection Emergency Amendment Act of 2023. However, both the increase and

[1] Legal Aid of the District of Columbia was formed in 1932 to "provide legal aid and counsel to indigent persons in civil law matters and to encourage measures by which the law may better protect and serve their needs." Legal Aid is the oldest and largest general civil legal services program in the District of Columbia. Over the last 91 years, Legal Aid staff and volunteers have been making justice real – in individual and systemic ways – for tens of thousands of persons living in poverty in the District. The largest part of our work is comprised of individual representation in housing, domestic violence/family, public benefits, and consumer law. We also work on immigration law matters and help individuals with the collateral consequences of their involvement with the criminal justice system. From the experiences of our clients, we identify opportunities for court and law reform, public policy advocacy, and systemic litigation. More information about Legal Aid can be obtained from our website, www.LegalAidDC.org.

the Council's reaction highlight the critical role rent stabilization plays in protecting the affordable housing the District has left. This legislation would help address a troubling loophole that undermines the District's efforts to maintain affordable housing.

To Address the Affordability Crisis, the District Needs Both Rent Stabilization and Vouchers

As of 2019, only 36 percent of District housing units were subject to its rent stabilization program. Each year, this percentage decreases as covered properties age and new properties are built. This means that an ever-shrinking number of rental units are affordable to low-income residents (and virtually none are affordable to very low-income residents). Meanwhile, the availability of subsidized housing is similarly bleak. As evidenced by the long-closed voucher waitlist of 37,000 families, the District does not have nearly enough vouchers available for residents who are unable to afford market rents. And the consequences of decades of mismanagement and underfunding of the District's public housing stock are well-documented, as more and more units are taken offline due to repair needs.

Against this backdrop, in recent years, housing providers have increasingly courted voucher-holders, rather than other low-income residents who could otherwise afford their units, in order to take advantage of neighborhood-wide, often above-market payment standards established by the District of Columbia Housing Authority (DCHA). These standards do not take into account the attributes of a given unit or building, including what the unit could legally be rented for to a tenant who did not have a voucher. This practice has the dual effect of both wasting precious DCHA funds that go to overpayment for what would otherwise have been lower-priced units, and also removing affordable units from the private market, which otherwise might have been available to families who needed a voucher but have not received one. In effect, the payment standard policy has the effect of reducing available affordable housing. This would be nonsensical in any jurisdiction, but it is egregiously bad policy in a jurisdiction suffering the kind of affordability crisis DC faces. For the District to have any hope of providing stable housing to its low-income residents, it is critical that units rendered below market rate by rent stabilization be available to residents with limited incomes who do not have the benefit of vouchers or other subsidies.

Council Action is Necessary to Ensure DCHA Meets Its Mission

We fully support this legislation to prevent the circumvention of rent stabilization, but it is worth noting that it should not be necessary in the first place. DCHA has always had an obligation under federal regulations to engage in a "rent reasonableness" assessment

before entering into a Housing Assistance Payment contract with a prospective landlord[2]. This should be a case-by-case analysis of whether a given unit is worth what the Housing Authority agrees to pay. This federal requirement is in place precisely to prevent overpayment and promote efficient utilization of limited affordable housing funds. However, for years DCHA has simply applied blanket "submarket" payment standards based on location and number of bedrooms without consideration of any of the other many attributes – available amenities, building age, square footage, general condition – which have such a significant effect on the market rents of privately-rented units. Despite the statutory exemption for federally assisted rental units in the rent stabilization program, DCHA should include rent stabilization limits as part of a rent reasonableness analysis as a matter of policy, consistent with both federal regulations and its mission to maximizing housing affordability.

The Department of Housing and Urban Development's 2022 audit of DCHA made clear that the agency's failure to engage in meaningful, individualized rent reasonableness analysis was a violation of its obligations under federal law and required such a program to be put in place. In response to this audit, however, DCHA has still proposed a scheme which still does not appear to take into account whether a unit is subject to rent stabilization or what the highest rent the landlord could charge a tenant without a voucher might be. It is clear that DCHA is not inclined to take the steps that would meaningfully prevent overpayment, despite the benefit to its mission and the many thousands of families awaiting assistance. The Council should pass this legislation to ensure that District families do not have their chances of securing affordable housing diminished by the very agency charged with providing access to it. We also urge the Council to engage in meaningful oversight of DCHA moving forward to ensure that the agency's policies serve its mission.

This Legislation Will Require Increased Efforts to Prevent and Address Discrimination Against Tenants Renting with Vouchers

While we believe this legislation will improve housing affordability in the District overall, it is important that the Council be aware of the almost-certain unintended consequences. In our practice at Legal Aid, we regularly see first-hand the extreme difficulty voucher holders face in placing their subsidies and the significant discrimination they face despite District law prohibiting such discrimination. We cannot deny that this legislation will make it that much harder for voucher holders to find housing. The ability to circumvent rent stabilization limits by renting to voucher holders has undoubtedly provided an incentive for landlords who might otherwise have been deterred by an unwillingness to engage with program requirements or unfounded biases against voucher recipients. It is critical that this change be accompanied by a renewed commitment to enforcing laws against

[2] 24 CFR § 982.507

source of income discrimination, and thoughtful, creative engagement with the question of how to address such discrimination at the point in time when it is really needed - when someone is trying to rent an apartment, not after they have been rejected and the apartment has been rented to someone else. While this is a real and meaningful concern, the answer cannot be to forego the benefit of this legislation to housing affordability for the many District residents who do not currently have access to housing vouchers.

Conclusion

District residents struggling to afford stable, habitable rental housing have seen the loss of many affordable units due to DCHA's failure to engage in meaningful rent-reasonableness analyses, creating a loophole in the District's rent stabilization program. This legislation would help prevent the loss of even more affordable units for residents who desperately need them. In addition to closing this loophole, we urge the Council to consider what additional measures may be necessary to protect voucher-holders from source of income discrimination and to ensure that DCHA is effectively carrying out its mission to provide safe, stable, affordable housing to as many District residents as possible.

CARECEN
LATINO RESOURCE AND JUSTICE CENTER
Strengthening the Latino Community in the Washington, D.C. Area

Council of the District of Columbia
Committee on Housing
Hearing on Bill 25-49
June 29th, 2023

Testimony provided by: Benjamin O'Hara, Bilingual Housing Counselor of the Central American Resource Center (CARECEN)

Good afternoon members of the Committee on Housing. My name is Benjamin O'Hara, and I am a Bilingual Housing Counselor at the Central American Resource Center-CARECEN.

CARECEN was founded in 1981 and fosters the comprehensive development of the Latino community by providing direct services, while promoting grassroots empowerment, civic engagement, and human rights advocacy. Our organization works to help integrate our clients to increase their success in their new community.

CARECEN is supporting the passage of Bill 25-49, the Local Rent Supplement Program Eligibility Amendment Act of 2023. All residents of Washington, DC should have access to the Local Rent Supplement Program (LRSP) regardless of immigration status. CARECEN serves many undocumented DC residents, the majority of whom pay taxes and contribute positively to this city's economy and civil society. Without authorization to work legally in the US, our undocumented clients do not have the most basic tool with which to earn money and afford rising housing costs in the city. For this reason, undocumented people are some of the DC residents most in need of access to the LRSP, which is one of the few affordable housing programs in the city.

To this end, CARECEN has started a petition in support of the passage of Bill 25-49. As of 7/13/2023, the petition has 232 signatures and counting. Please find the petition at the following link: https://chng.it/BZPPMXky.

Thank you.

CARECEN
1460 Columbia Road, N.W. Suite C-1, Washington, D.C. 20009
Tel (202)328-9799 • Fax (202)328-7894 • www.carecendc.org

June 30, 2023

Written testimony regarding proposed legislation to conceal judicial records
from DCHA in making voucher award decisions

Submitted by Nancy E. Roth
Adapted from conversations on the Cleveland Park listserv, June 27-June 29, 2023

(Contributions to listserv conversation by people other than Nancy Roth in italics)

From Nancy Roth:

I have concerns about not letting the Housing Authority gain access to a voucher applicant's prior judicial records. What about potential voucher holders whose judicial records show a repeated pattern of antisocial behavior? I mean, if someone got caught shoplifting when they were a teenager, and there's no further offense, that's one thing. To me it would indicate they figured something out and moved on with their life.

But a lot of people don't figure things out, and do bad things again and again. Don't they get held accountable? When such a pattern of repeated violations shows up in the court records, I think it should weigh significantly in the voucher application process.

So, for instance, someone who gets called to court repeatedly for domestic abuse by different partners over the years—what kind of voucher tenant would they make? I have seen in real life the court records of an individual with that kind of history. Doesn't the Housing Authority get to consider that?

Two other reasons DCHA needs to know the criminal activities of voucher applicants:

(1) There are plenty of people who don't make antisocial choices, shouldn't they get preference in voucher-award decisions?

(2) Taxpayers fund these vouchers. Doesn't the recipient of that support owe some sort of accountability to their taxpayer-funders?

It seems to me that above all else, the Housing Authority is charged with keeping the existing community safe. If we conceal the criminal records of the voucher applicants, we are asking DCHA to try to fulfill this key responsibility with one hand tied behind its back.

My automobile insurer sets rates based on drivers' previous behavior, because prior driving behavior is an indicator of future driving behavior. Is that unfair? I've never heard of legislation or regulations requiring auto insurers to eliminate from their consideration the driving records of their clients. Why shouldn't the Housing Authority get the same tools and criteria as a car insurer in making its decisions?

RESPONSE TO NE ROTH'S COMMENT FROM LISTSERV MEMBER TO ABOVE POST:

If as a society we let someone's past record prevent them from getting housing (or in many cases a job as well), all we do is make it impossible for them to obey the law and be good neighbors; we trap them in a cycle of poverty, homelessness etc. Sometimes what may seem to some as "people who don't figure things out: is actually a society that has made it impossible for them to stay well fed, clothes and housed.

NANCY ROTH'S RESPONSE TO LISTSERV MEMBER

I'm all for releasing those who have been unfairly trapped in the justice system, especially people under age 25.

But: are all people alike? Do all people have the same functional capabilities?

Because, concealing information about what criminal things people have done, from authorities we've charged with making decisions about where they can live, is pretending that all people are alike, and are equally capable and competent, and can be interchangeably placed, and will respond in exactly the same way in the same environment.

And that is fundamentally dishonest. We all know some people are ready to reenter the mainstream private housing--and some are not. Some will never be.

My question is, what do we do about those who are not fully able to live in an unregulated housing environment? Do we give them the same liberties and choices and responsibilities as we do for people who are ready and able?

We have to give people who have done bad things, especially violent things, a range of choices they can handle, because we have to make it possible for them to keep themselves, and the people around them, safe.

<u>We must not pretend that things that happened, never happened.</u> Whatever it was, and whatever the reason, we have to know what happened in order to deal justly with them. Going to prison does not mean the slate is wiped clean for all people. It's really critical that we recognize whose slate has been cleared, and whose has not. Concealing judicial records makes it impossible to distinguish between them.

Also, DCHA needs to know what criminal things their clients have done, in order to craft an appropriate situation for them. Some reentering society after a term in prison will need a supervised living situation that incentivizes certain behavior, and provides them with mental health services and job training. Ideally DCHA would know those who require this structure and would issue a highly selective housing voucher for that kind of supported environment. If DCHA authorities don't know their background, how do they ensure the resident in need gets the help they require?

I totally get that the intent of the proposal is to level the playing field for people who have been unfairly entangled in the judicial system. But we must be discerning in how we do that. We must make these choices with knowledge, not in ignorance.

I urge the DC Council and others to allow DCHA full access to all judicial records of voucher applicants.

Testimony of Ryan Trout, Chief Housing Officer
Coalition for Nonprofit Housing and Economic Development

Committee on Housing
For
Local Rent Supplement Program Eligibility Amendment Act of 2023
B25-0049
June 29, 2023

Good morning Chairperson White and members of the Committee. My name is Ryan Trout. I am the Chief Housing Officer at the Coalition for Nonprofit Housing and Economic Development (CNHED).

Established in 2000, CNHED is a dynamic association of 180 organizational members working to foster just and equitable community development solutions that address the needs and aspirations of low-and moderate-income District of Columbia residents. CNHED's members represent a broad spectrum of nonprofits, for-profits, and government agencies that build, preserve, and manage affordable housing; provide tenant technical services; protect tenants' rights; offer homeownership counseling; advise and lead capital to small businesses and community projects; connect residents to career pathways; deliver critical family services; and engage, represent, and benefit low-and moderate-income residents of the District.

I am here to testify in support of the Local Rent Supplement Program Eligibility Amendment Act of 2023. In the FY 2022, the Council unanimously approved identical language in emergency/temporary legislation to amend eligibility requirements for the Local Rent Supplement Program. We are hopeful this council will approve the eligibility amendments permanently.

For background, project- and sponsor-based LRSP is used to produce new housing affordable to extremely-low-income households by providing operating subsidies as part of the development process. These homes are needed to: (1) ensure meeting statutory requirements to use 50 percent of the Trust Fund at 0-30 percent of MFI; (2) meet the goals of the Homeward DC plan by supporting the production of Permanent Supportive Housing (PSH) in new developments (including the 5% now required in all DHCD-funded rental projects); and (3) allow the production of housing for people with extremely-low-incomes beyond the scope of the Homeward DC plan to serve additional individuals and families. Project-based LRSP covers rent, maintenance, utilities, and other ongoing expenses not covered through one-time HPTF loans.

We agree with Jubilee Housing, Inc., a CNHED member, and urge the council to approve this legislation expanding eligibility for the Local Rent Supplement Program for numerous reasons: firstly, lowering housing eligibility barriers for DC residents creates opportunities for our most at risk residents. DC has long established itself as a city that is supportive of all of its residents – regardless of immigration status and regardless of certain criminal history. We know that access to affordable housing is one of the most important factors in supporting successful reentry for returning citizens.

Secondly, in the recent past, DC has passed legislation to include access to DC's primary care health system and covid-related monetary support for excluded workers – many of whom are undocumented and are not eligible for other federal cash assistance programs. Excluding DC residents from a valuable rental subsidy program due to criminal history and immigration status contradicts general city policies of inclusion.

Thirdly, establishing consistent eligibility standards for similar benefits reduces confusion for residents, property owners, and developers. Prior to enactment of the Emergency/Temporary legislation last year, criminal background and immigration status eligibility was applied differently for tenant based, sponsor based, and project based LRSP. This legislation will expand existing tenant and sponsor based eligibility requirements to project based LRSP – thereby establishing one standard for all types of LRSP. Without one eligibility standard, confusion can arise if some residents have been awarded tenant based LRSP while other similarly situated residents are excluded from the rental subsidy program.

Lastly, expanding eligibility for project-based LRSP strengthens TOPA opportunities. In a number of buildings where DC residents are exercising their TOPA rights, the unavailability of project-based LRSP for income eligible DC residents who either do not have legal immigration status or have some criminal history can divide residents and can also limit the ability of the tenant association to move forward with a purchase or an assignment due to lack of sufficient rental subsidy for its lowest income residents. These eligibility limitations for project-based LRSP can also deter a nonprofit developer from partnering with a tenant association to preserve the affordability of the project.

To ensure that we are protecting the District's most vulnerable residents—and acting in ways that help alleviate racial and economic inequities—we must protect and expand programs that secure the basic needs of individuals and families, including affordable housing. In 2019, Mayor Bowser stated that "when people have access to safe and stable housing, that is the first step toward having access to a safe and stable life." This was true before COVID-19 and may be even more so today.

Few investments offer greater long-term impact for inclusion and equity than affordable housing development. Few factors affect health and prosperity more than where you live. To promote equity and inclusion now and in the future, we must invest heavily in safe, healthy, affordable housing for all residents of the District.

Thank you for the opportunity to testify and I welcome any questions from members of the Committee.

From: [redacted]
[redacted]
Subject: Support for B25-0227
Date: Tuesday, June 27, 2023 9:25:19 AM

Dear Members of the Housing Committee,

I am writing in support of B25-0227, the “Rent Stabilization Protection Amendment Act.” Over inflated voucher payments on rents has distorted the rental market and created incentives for landlords to fill buildings with as many voucher tenants as possible. We want voucher holders served throughout the district, and a premium is warranted. However the current situation is being used by bad actors to flood rent controlled buildings with voucher tenants, in the hopes that long term tenants decide to leave.

This legislation attempts to realign voucher rents closer to the rents paid by rent stabilized tenants. More is needed to provide better support services to recently rehoused residents and creating a lead-agency model to tackle the wrap-around services, but this act is a good first step in correcting the distortions in the rental markets.

Thank you,

Bob Ward
[redacted]
Washington, DC 20008
--
Sent from Gmail Mobile